

KOPANONG LOCAL MUNICIPALITY

ANNUAL REPORT FOR THE FINANCIAL YEAR ENDING 30 JUNE 2012



RP351/2012

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FOREWORD BY THE MAYOR



Mayor: Councilor TX Matwa

Kopanong Municipal Council would like to go through the past financial year 2011/2012 with you. This will be done by reviewing the Municipality's report on our performance during the period mentioned above. This report was done in accordance with the requirements of the Municipal Finance Management Act (MFMA), system Act and is consistent with our obligation and responsibility to contribute to a better life for the communities we as the Council serve.

The IDP is one of the factors or features that we focused on when accounting on the year's activities under review.

This Annual Report is a culmination of the implementation of the Council's adopted Integrated Development Plan and Budget and Services Delivery and Budget implementation Plan for the 2011/2012 financial year.

This Report presents the institution's achievements and challenges in working.

Despite the notable progress made during the 2011/2012 financial year, the Municipality is acutely aware of many challenges that are waiting, as listed Below.

- Developing ward-based profiles that include social infrastructure
- Backlogs, to improve the quality of information available.
- Finalising the By- Law's.
- Focusing on combating and preventing, HIV and AIDS.
- Communicating more, and more effectively, with the residents of Kopanong Local Municipality.

- Improving our audit opinion from Disclaimer to Unqualified the opinion

In closing, I would like to thank all who were part of Mayoral Hlasela Imbizo's (Public Participation Programme). The Imbizo's gives us an opportunity to meet our people, and serves as a networking platform for our stakeholders, such as the business people within our Municipality and the community at large.

Once you have read through this document, it would be of great assistance to us to hear your comments and feedback as this would help us in improving our aim of creating a better life for all.

I would like to express my sincere gratitude to all Councillors, officials, the communities of Kopanong Local Municipality and stakeholders for their contribution to the progress made for the year under review.


Signature

The Honorable Mayor: Cllr X.T Matwa



EXECUTIVE SUMMARY – MUNICIPAL MANAGER



Municipal Manager: LY Moletsane

According to the Municipal Structures Act, Act No. 117,1998 the primary purpose of the municipality is:

1. A municipal council must strive within its capacity to achieve the objectives set out in section 152 of the Constitution,
2. A municipal council must annually review
 - (a) *the needs of the community;*
 - (b) *its priorities to meet those needs;*
 - (c) *its process for involving the community;*
 - (d) *its organizational and delivery mechanisms for meeting the needs of the community; and*
 - (e) *its overall performance in achieving the objectives referred to in subsection (1)*
3. A municipal council must develop mechanisms to consult the community and community organizations in performing its functions and exercising its powers.

The reality is that the municipality, according to the Constitution of RSA, must amongst others provide sustainable services to its community. However, at the beginning of my term of office, the municipality was in a dire financial position, it became a challenge to run the day to day activities of Kopanong, to also implement planned projects we are aware of the fact that our plans are based on projected budget rather than the actual budget.

Kopanong managed to implement some projects from our own money and there are no more salary problems. The municipality however still has problems honoring all its repayment agreements. There is stability in the municipality.

In the previous financial year Kopanong Local Municipality started to implement GRAP and consultants were appointed to implement and compile the financial statements. This process has continued during this financial year we have even gone further to appoint consultants in assisting with the unbundling of assets. There are continuous meetings amongst the Mayor, the Municipal Manager and Chief Financial Officer to ensure the

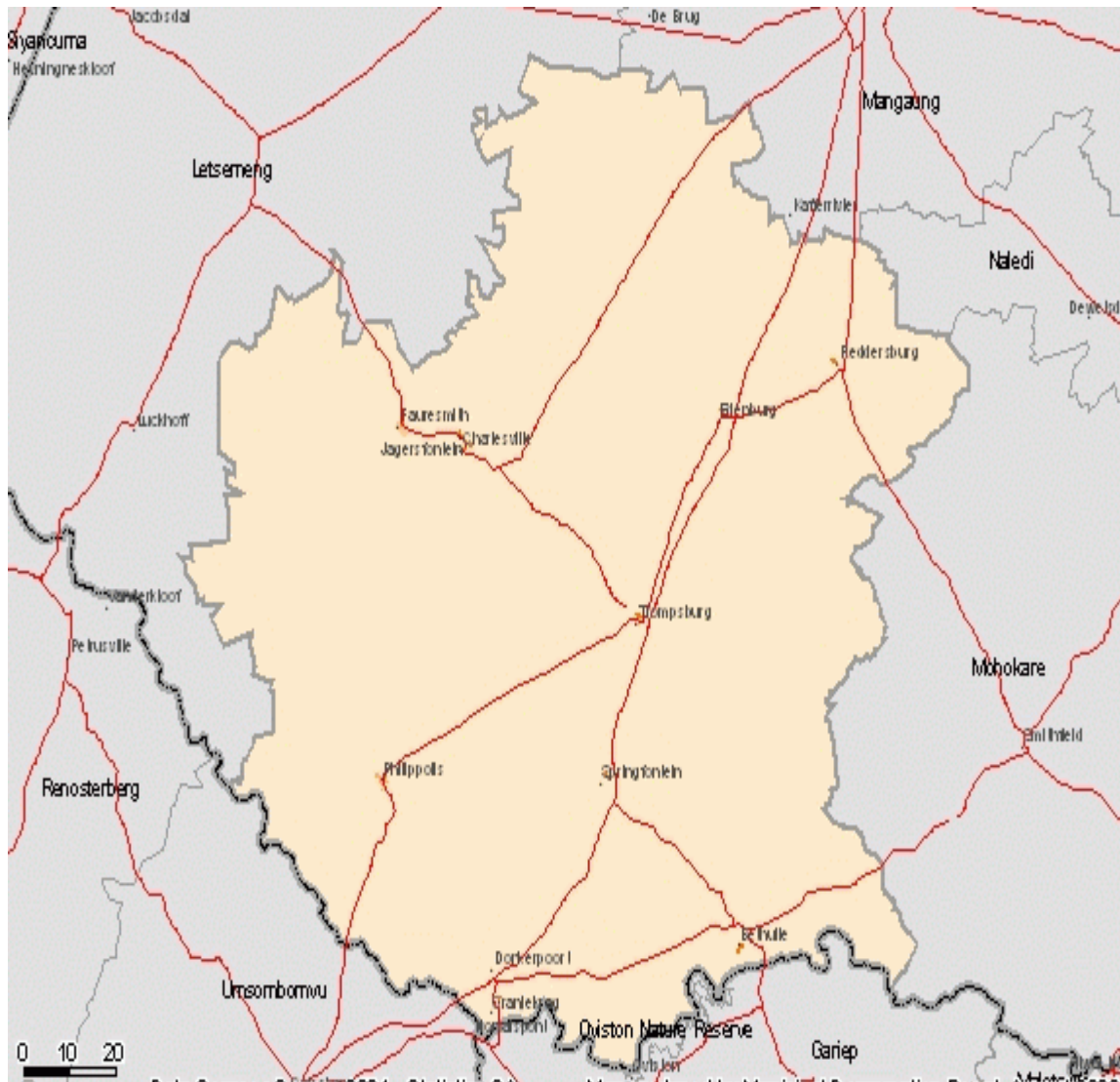
smooth running of the municipality and also to see to it that systems and internal controls are in place. Our goal is to achieve a better audit opinion and deliver services in an accountable and sustainable manner.

There are also weekly management meetings where operational issues are discussed and addressed, and if there are any challenges, they are addressed in time.

I will like to thank management and all staff members I have worked with during the year to ensure that we achieve the best results for Kopanong, not forgetting the members of Kopanong Council, especially the Mayor for his support, and also the Speaker for her support.

I THANK YOU!!!!





MAP OF KOPANONG LOCAL MUNICIPALITY

CHAPTER ONE

KOPANONG LOCAL MUNICIPALITY: The Broader Context

1.1 Spatial analysis of Kopanong

Kopanong Municipality is the biggest Local Municipalities in Xhariep District in terms of area and covers 11.7% of the Free State which is 1 523 407 Hectares. The other Municipalities in the Xhariep District are Mohokare, Letsemeng and Naledi.

The Kopanong Municipal consists of nine town's i.e. Reddersburg, Edenburg, Fauresmith, Jagersfontein, Trompsburg, Springfontein, Phillippolis, Bethulie and Gariep Dam

Basic agricultural products are exported from the area for processing and re-imported into the areas as consumer products – very little processing of agricultural products should be considered as a strategy to reduce dependence of the area on production of products that are processed elsewhere.

Historical events that took place in the municipality, aspects of the natural and man-made environment and local activities may form the basis for promoting tourism as a significant economic activity. Some of these events, man-made and natural environment aspects are:

- “Lake Gariep” and the Gariep water festival;
- Game reserve at Lake Gariep
- Jagersfontein Mine;
- The “tiger project” at Phillipolis;
- The Orange River Ravine from the Gariep Dam wall to the P K le Roux Dam Wall;
- Battlefields of significant battles conducted during the Anglo-Boer War, e.g. Mostert's hoek
- Phillipolis “witblits” festival;
- Historical building in Phillipolis, e.g. the Dutch Reformed Church, library, old jail, the house where Lourens van der Post was born, Adam Kok, the Griqua leadre's house, kraal and structure where gunpowder was kept, and
- Fauresmith horse endurance run.

Soils

Southern areas of the Free State mostly have calcareous soils. According to the FSGDS the whole of the Xhariep District mainly has soils of intermediate to poor suitability for arable agriculture or forestry or grazing where climate permits. Xhariep with Thabo Mofutsanyane have the highest percentages of soils for conservation only.

Climate and geology

Temperatures are extreme, and the area experiences hot mid-summer conditions and very cold winters. The whole Kopanong is mainly lowlands with hills.

1.2 Demographic analysis

Following below is a number of Tables that summarize the population of Kopanong in terms of numbers, growth, gender, age, etc.

1.2.1 Population Distribution

The total population in the Municipality was 55,936 in 2001 of which 29 048 were female and 26 892 male. It is doubtful whether there is any major migration of people from outside the municipality into the municipality. Migration tends to be from commercial farms to the nine formal settlements and between the urban settlements within the municipality.

The total population were organized as 17,630 households, with the bulk of households (85%) being five or less members. Approximately 10,500 of households reside in the nine urban settlements.

Population Group

Persons	2001
African	40493
Coloured	9976
Indian	21
White	5451
Total Population	55941

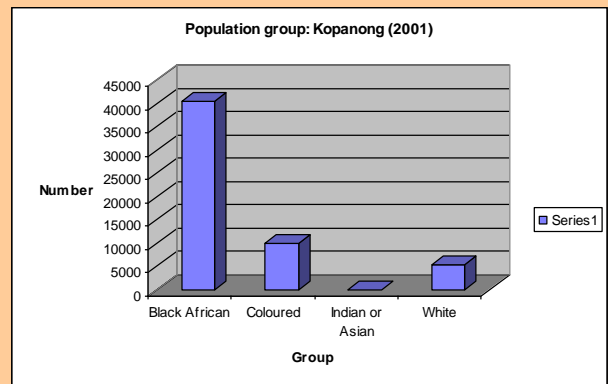
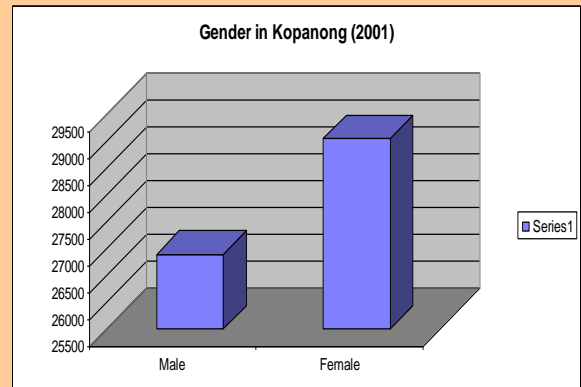


Table 1.2.1 (a) Population group - Kopanong

Gender in municipality

Gender by Age

Persons	2001
Male	26892
Female	29048



The above table indicates that there must be effort made to ensure that women developmental activities are prioritized. These activities should include opportunities in formal employment capitalizing on national policy provisions such as broad based black empowerment initiatives, Equal Employment Act and employers being gender sensitive in their quest to bring parity of gender in their employment strategies.

In terms of age, slightly less than half of the total population (42.4%) is younger than 20 years and 6,8% is 65 years old or older. Of the population that is younger than 20 years old 73% are of pre-school and school-going age. More than half of the population (50.8%) is between 20 and 64 years old.

Age Distribution of the municipality

Age

Age group	2001
0 to 4	5167
5 to 9	5960
15 to 19	6265
20 to 24	6337
25 to 29	4789
30 to 34	4057
35 to 39	3992
40 to 44	3583
45 to 49	3095
50 to 54	2744
55 to 59	2469
60 to 64	1931
65 to 69	1754
70 to 74	1394
75 to 79	914
80 to 84	674
85+	479

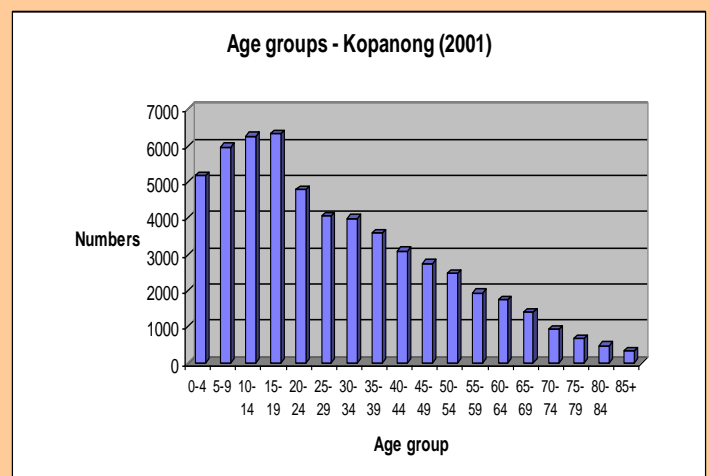


Table 1.2.1 © Age distribution - Kopanong

The age categories suggest quite a number of interventions in the area. For instance, in age category 5-19 the number is moderately high and thus indicating the need for quite a number of primary schools, sports and recreation facilities for children, among other initiatives especially where none or a few exist relative to such infrastructure. In particular, the age group 5-14 has a higher % population in the combined categories of 0-4. Their population category indicates a 15.71 to 16.47% of the total population in the province and is among the other three municipalities like Phumelela and Letsemeng in the province. On the 15-64, it should be assessed especially when it comes to employment creation, employment opportunities in the district, and a number of training institutions around and/or in the nearby municipalities. The Municipality must be prepared to equip the youth to be competitive in case they decide to migrate to other areas in order to find employment. For the aged, thought must be given to existing infrastructure meant for their livelihood like old age homes as well as the existing family support structures for their safe keep in their times of need.

1.3 Economic analysis

1.3.1 GDP

The economy of Kopanong is, like the remainder of the Southern Free State, is dominated by agricultural activities, with Kopanong contributing 45% (R95,545,000) to the GGP of Xhariep in 1996. Almost a third (4,700 persons) of the employed population is employed in the agricultural sector. The agricultural sector is dominated by large/extensive commercial farms with few small scale farms being found in the area.

The predominance of agriculture as primary economic activity in the area means that cycles of prosperity and decline experienced in the agricultural sector, impact on the economic prospects (i.e. whether their economies grow or decline) of the nine urban settlements.

The second biggest contributor to the district's GGP in 1996 was general government, contributing R58, 567,000 followed by financial services with R33, 341,000.

The extremely narrow economic base of Kopanong, i.e. the dependency of local communities on agriculture production, increase the area's vulnerability to economic downturns caused by adverse agricultural conditions, to economic downturns caused by adverse agricultural conditions, such as prolonged droughts, low prices for agricultural goods, e.g. wool prices, rapidly increasing wage in the agricultural sectors and so on. It is therefore important that the central thrust of any economic development strategy for the areas should aim to diversify the economic base.

Economic output is usually measures in terms of Gross domestic Product (GDP). At the national Gross Geographic product (GGP) is used. Figure 2.3.2 (b) provides an overview of annual economic growth since 1995. The overall ten year growth rate between 1995 and 2005 was 19% which is 1.9% on average per annum. For the whole of the District it is on average 3.4% and for the Free State as a whole it is 2.6% per annum.

Economic: GDP 2005 - Free State, Xhariep, Kopanong				
CONCEPT	Gross domestic product at basic values (Rand, constant 2000 prices)	Units	Value	
	Year	1995	1996	2005
P4: Free State	TO: Total	40833094022	43042883952	5.1309E+10
	I01: Agriculture, forestry and fishing	922118966	2572326777	2579247209
	Ml: Mining	6711598065	6206473543	5729312382
	MA: Manufacturing	4488340812	4838332396	6483214778
	EL: Electricity & water	1453223975	1591653591	1678575645
	I17: Construction	1022506338	921448853.9	860255476
	TR: Wholesale & retail trade; catering and accommodation	5150509393	5279360929	6592395578
	TC: Transport & communication	3383406767	3549544646	4998616465
	FB: Finance and business services	6531105421	6576189814	9240538760
	I24: Community, social and other personal services	4445261842	4565697577	5947500290
	I25: General government services	6725022443	6941855826	7199173891
P4D01: Xhariep District Municipality	TO: Total	1421590506	1605399127	1910418869
	I01: Agriculture, forestry and fishing	90795523.88	256299689.6	284038273
	Ml: Mining	218364142.6	209382137.1	307102351
	MA: Manufacturing	66766787.33	71050124.14	83615728.2
	EL: Electricity & water	53420117.36	59086760.99	70343437.9
	I17: Construction	40357129.22	36984704.82	40159941.6
	TR: Wholesale & retail trade; catering and accommodation	219954042.6	221016668.5	218698354
	TC: Transport & communication	132991390.9	144705716.5	257498802
	FB: Finance and business services	197685548.9	195369181.9	205683918
	I24: Community, social and other personal services	133215849.3	136174195.1	169306844
	I25: General government services	268039974.2	275329948.8	273971218
P4D01M02: Kopanong Local Municipality	TO: Total	588720768.9	670719575.3	700224763
	I01: Agriculture, forestry and fishing	41165406.27	114821556.9	114767016
	Ml: Mining	15031624.02	14910213.03	31116245.7
	MA: Manufacturing	32210299.19	33464099.08	32631065.3
	EL: Electricity & water	29225930.95	32570700.55	40753070.3
	I17: Construction	23736278.36	21739048.17	23433538.5
	TR: Wholesale & retail trade; catering and accommodation	72771366.8	74319895.1	89501515
	TC: Transport & communication	58885424.43	62419577.82	82906181.5
	FB: Finance and business services	121169857.6	118220209.9	87813771.8
	I24: Community, social and other personal services	56995281.04	57449260.44	61192988.9
	I25: General government services	137529300.2	140805014.3	136109370

Table 1.3.1 (a) GDP Kopanong, Xhariep and Free State. 1995 and 2005

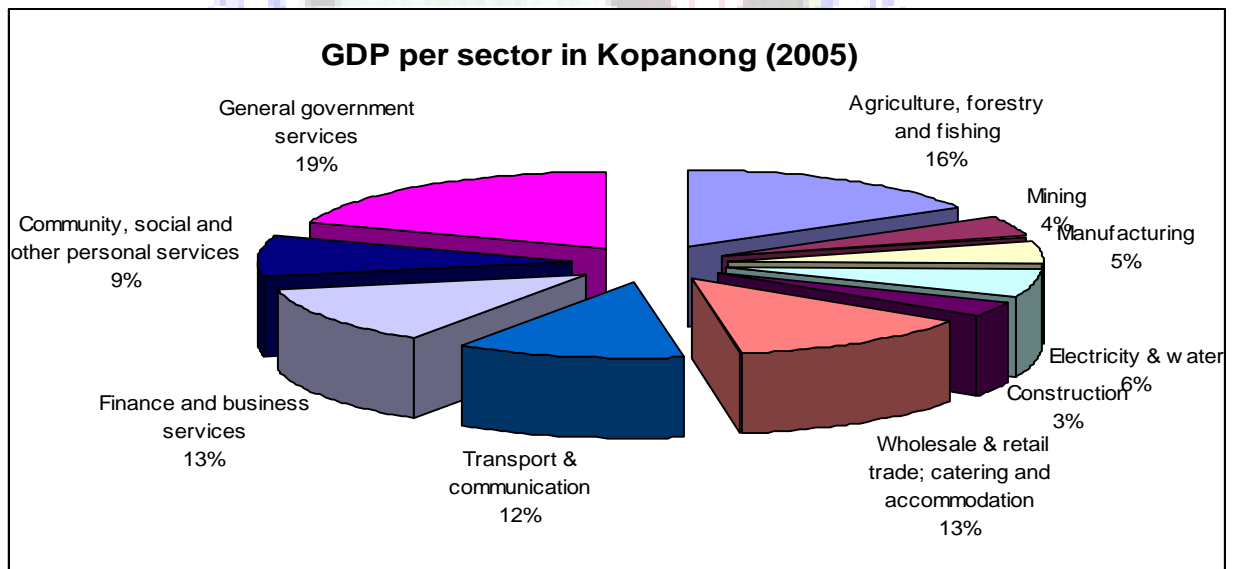


Figure 1.3.1 GDP per sector in Kopanong (2005)

P4D01M02: Kopanong Local Municipality	GDP 2005 (Place of work)										
domestic product at basic values (Rand, constant 2000	Units	Value									
Year	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Industry											
TO: Total	588720768.9	670719575.3	680546436.8	631759491.7	668325188.7	689763165.2	666928230.1	673594540.9	665278117.4	674273159.1	700224762.6
01: Agriculture, forestry and fishing	41165406.27	114821556.9	117567641.5	76660913.04	102569921.7	126223998.9	107127337	106649672.7	96147342.12	95135138.82	114767016
10: Mining	15031624.02	14910213.03	15705463.36	14125093.96	14802246.74	14622614.03	14035414.92	18397666.57	21647457.19	25447535.06	31116245.65
14: Manufacturing	32210299.19	33464099.08	34033310.79	32594147.75	33088145.3	34827014.07	34087900.52	33725979.74	32296709.94	32793746.92	32631065.34
EL: Electricity & water	29225930.95	32570700.55	36015313.54	34199836.69	33753477.08	34694969.39	34407430.86	36296088.65	37432443.86	39633113.98	40753070.32
17: Construction	23736278.36	21739048.17	23785296.2	20187531.82	22673822.74	20895916.08	23103866.92	21442991.23	22909666.65	23667501.68	23433538.47
TR: Wholesale & retail trade; catering and accommodation	72771366.8	74319895.1	74568254.62	74706242.02	79140450.5	82836997.73	76087513.58	78722384.46	83620734.43	86815737.43	89501515.03
TC: Transport & communication	58885424.43	62419577.82	67319671.31	70720002.28	72348215.27	76525878.88	78900813.62	84683971.04	84020548.5	82780844.65	82906181.54
FB: Finance and business services	121169857.6	118220209.9	116737232.2	111576912.5	112108212.5	103127838	106037192.2	101416997	93911714.53	93093349.71	87813771.85
24: Community, social and other personal services	56995281.04	57449260.44	56306415.57	58553585.46	59415086.49	60921082.07	60807877.66	60789545.3	61668975.56	60758769.66	61192988.89
25: General government services	137529300.2	140805014.3	138507837.7	138435226.1	138425610.4	135086856.1	132332882.8	131469244.2	131622524.7	134247421.2	136109369.6

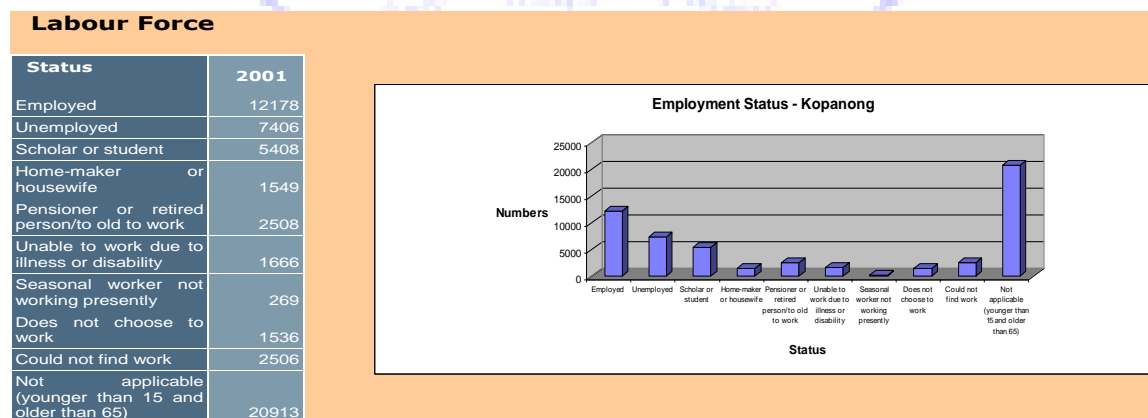
Table 1.3.1 (b) GDP per sector in Kopanong,. 1995 and 2005

Figure 1.3.1 illustrates that the biggest contributor to GDP in Kopanong, is Government Services followed by agriculture. The smallest contributor to GDP is construction, followed by mining and manufacturing. One can assume that the latter (construction) will increase within the next year or three due to the current construction initiatives in the area. This picture could change drastically with influx of people to facilities and employment opportunities resulting from amongst others the hospital-under-construction in Trompsburg.

What is however more significant is the major growth in wholesale and retail trade from 1995 to 2005.

1.3.2 Employment

This section provides an overview of the employment profile in Kopanong.



The most recent formal and informal employment figure for 2006 according to the FSGDS is 35 961 - a rate of 70.6%. The informal employment could be significant as

indicated in the figures of 2004 (FSGDS). The information provided next indicates that there is still a long way in terms of ensuring that there is work for all employable people in the area.

The total labour force of the Municipality, divided into employment and unemployment and economic in active people is provided. The rate for people living in poverty in Kopanong according to the FSGDS is approximately 40.2% which enforce a high demand for job opportunity creation.

Formal Employment

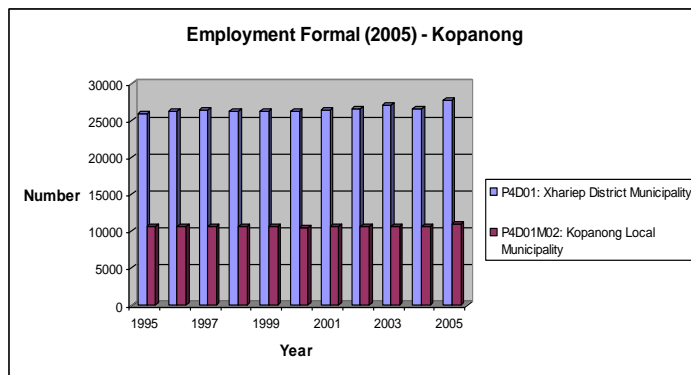


Table 1.3.2 (b) Employment – Kopanong 1995-2005

Economic: Formal Employment 2005											
CONCEPT	Employment	Industry	TO: Tot	Units	Value						
Year	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
P4D01: Xhariep District Municipality	26033	26259	26420	26322	26363	26324	26503	26727	27117	26693	27754
P4D01M02: Kopanong Local Municipality	10596	10646	10708	10657	10632	10582	10613	10680	10741	10596	10978

Table 1.3.2 © Formal employment 1995-2005

Formal Employment per sector

Agriculture, forestry and fishing

Economic: Formal Employment 2005											
CONCEPT	Employment		Industry	I01: Agriculture, forestry and fishing							
Year	1995	1996	1997	Units	Value						
P4D01: Xhariep District Municipality	10021	10256	10390	10504	10623	10709	10779	10623	11155	10829	10909
P4D01M02: Kopanong Local Municipality	3609	3686	3726	3760	3795	3819	3838	3776	3959	3838	3804

Table 1.3.2 (d) Employment – Agriculture, forestry and Fishing, Kopanong, 1995 - 2005

Community, social and other personal services

Economic: Formal Employment 2005	Employment		Indus	I24: Community, social and other personal services							
CONCEPT				Units	Value						
Year	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
P4D01: Xhariep District Municipality	3696	3687	3859	4029	4201	4376	4556	4761	4737	4858	4342
P4D01M02: Kopanong Local Municipality	1544	1538	1608	1678	1748	1820	1894	1978	1965	2014	1803

Table 1.3.2 (e) Employment – Community, Social and other personal services, Kopanong, 1995 - 2005

Compare to the performance of the District overall, a growth of approximately 17% over a period of 10 years which is insignificant is demonstrated for both the District and the Municipality.

Construction

Economic: Formal Employment 2005	Employment		Industr	I17: Construction							
CONCEPT				Units	Value						
Year	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
P4D01: Xhariep District Municipality	1180	1095	1072	975	821	790	785	764	720	689	887
P4D01M02: Kopanong Local Municipality	562	517	502	453	378	361	355	342	319	301	399

Table 1.3.2 (f) Employment – Construction, Kopanong, 1995 – 2005

A decline of employment in the construction industry is visible for both the District and the Municipality. With the current building activities in Trompsburg (including a hospital) one can assume that for at least the next two to three years this figure could increase drastically.

Electricity and water

Economic: Formal Employment 2005	Employment		Industry	EL: Electricity & water							
CONCEPT				Units	Value						
Year	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
P4D01: Xhariep District Municipality	168	172	168	176	180	169	166	171	167	170	219
P4D01M02: Kopanong Local Municipality	63	65	63	67	69	65	63	65	64	66	80

Table 1.3.2 (g) Employment – Electricity and water, Kopanong, 1995 – 2005

From the data provided in Table 2.3.2 (g) the conclusion can be drawn that this sector has low potential for employment opportunities in Kopanong.

Finance and Business Services

Economic: Formal Employment 2005	Employment		Indus	FB: Finance and business services							
CONCEPT				Units	Value						
Year	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
P4D01: Xhariep District Municipality	918	968	1049	1106	1122	1144	1227	1378	1394	1403	1840
P4D01M02: Kopanong Local Municipality	536	556	593	613	612	615	645	705	694	689	887

Table 1.3.2 (h) Employment – Finance and Business Services, Kopanong, 1995 - 2005

Over a ten year period of time the Finance and Business Services sector has shown a growth of 100% for the District and at least 65% for Kopanong. Although still minute in numbers, this sector promises more employment opportunities in future.

Manufacturing

Economic: Formal Employment 2005				Employment	Industry	MA: Manufacturing					
CONCEPT				Units	Value						
Year	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
P4D01: Xhariep District Municipality	983	990	945	903	867	829	801	799	788	777	789
P4D01M02: Kopanong Local Municipality	465	458	436	420	396	380	359	354	344	337	351

Table 1.3.2 (i) Employment – Manufacturing, Kopanong, 1995 - 2005

It is not surprising that manufacturing in both the District and Kopanong is declining rapidly. This information corresponds with the information for the Free State as a whole.

Mining

Economic: Formal Employment 2005											
CONCEPT	Employment	Industry	MI: Minin	Units	Value						
Year	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
P4D01: Xhariep District Municipality	1776	1712	1605	1428	1348	1316	1299	1326	1314	1210	1470
P4D01M02: Kopanong Local Municipality	200	184	172	142	132	126	122	120	119	111	119

Table 1.3.2 (j) Employment – Mining, Kopanong, 1995 - 2005

Mining activities in Kopanong is insignificant.

Transport and Communication

Economic: Formal Employment 2005			Employment	Industry	TC: Transport & communication						
CONCEPT				Units	Value						
Year	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
P4D01: Xhariep District Municipality	566	548	527	410	398	376	355	356	335	318	437
P4D01M02: Kopanong Local Municipality	319	303	286	219	208	192	177	173	158	147	208

Table 1.3.2 (k) Employment – Transport and Communication, Kopanong, 1995 - 2005

A gradual decline over a ten year period in the number of employment opportunities in both the District and Municipality is visible.

Wholesale and retail trade, catering and accommodation

Economic: Formal Employment 2005	Employment	Industry	TR: Wholesale & retail trade; catering and accommodation								
CONCEPT				Units	Value						
Year	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
P4D01: Xhariep District Municipality	2014	2023	2045	2121	2287	2271	2300	2313	2349	2328	2500
P4D01M02: Kopanong Local Municipality	870	876	891	923	992	990	1009	1023	1049	1053	1151

Table 1.3.2 (l) Employment – Wholesale and retail trade, catering and accommodation, Kopanong, 1995 - 2005

An increase of at least 32% over ten years in employment is recorded in this sector. With greater emphasis on tourism, this figure might increase in future.

1.3.3 Annual Income

An alarming high % of the population of Kopanong reflects no income. This means that the poverty levels are extremely high. At least 40.2 % of the populations according to this statistics are poor. The demand for social service intervention will therefore be high.

Individual Monthly Income

Persons	2001
No income	36299
R1 - R400	7804
R401 - R800	6773
R801 - R1 600	1626
R1 601 - R3 200	1691
R3 201 - R6 400	1140
R6 401 - R12 800	341
R12 801 - R25 600	146
R25 601 - R51 200	54
R51 201 - R102 400	47
R102 401 - R204 800	18
R204 801 or more	

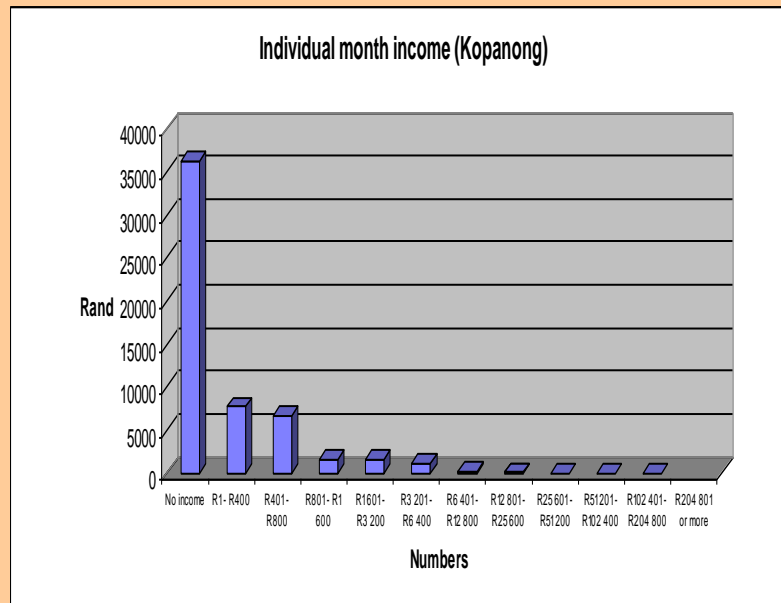


Table 1.3.3 (a) Annual income of people in Kopanong (2001)

Household Income and expenditure										
Xhariep District										
Year	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Final consumption expenditure by households (Rand, current prices)	531606152.6	604283549	686940996.3	758070138	839945071	959684816	1072120970	1229235313	1359856671	1523597871
Remuneration (Rand, current prices)	401387290.6	459148325	515468140.7	574016098	634440122	705849192	769247530	853593139	955148544	1057589833
Unearned income (Rand, current prices)	211212930.3	242137707	284292082.5	309683946	349215353	409133858	463553340	548375842	592946732	670837328
Current income (Rand, current prices)	612600220.8	701286032	799760223.1	883700044	983655476	1114983051	1232800870	1401968981	1548095276	1728427161
Current taxes on income and wealth (Rand, current prices)	61727111.96	72682182.4	84664209.61	95530040.4	108872684	115463055	120039220	130458277	137783539	153010489
Disposable income (Rand, current prices)	550873108.9	628603850	715096013.5	788170004	874782791	999519995	1112761651	1271510704	1410311736	1575416673
Saving by households (Rand, current prices)	19266956.24	24320301.1	28155017.22	30099866.3	34837720.1	39835179.6	40640680.4	42275390.5	50455065.1	51818801.6
Kopanong Local Municipality										
Year	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Final consumption expenditure by households (Rand, current prices)	232791884.5	264749163	301394564.3	332439313	369397253	422084938	471650853	540636790	597840272	670655394
Remuneration (Rand, current prices)	178464676.5	204063610	229307053.9	255073722	282312210	313750282	341760105	379153387	424058925	469885470
Unearned income (Rand, current prices)	91424461.74	104862407	123315332.4	134263017	151728965	177675085	201369042	238292619	257696841	291854410
Current income (Rand, current prices)	269889138.3	308926017	352622386.3	389336738	434041175	491425367	543129147	617446006	681755767	761739880
Current taxes on income and wealth (Rand, current prices)	29339793.72	34551955.7	40303599.16	45463957	51887186.9	54995595.9	57161098.5	62126501.8	65598197.3	72923735.6
Disposable income (Rand, current prices)	240549344.5	274374062	312318787.1	343872781	382153989	436429771	485968049	555319504	616157569	688816144
Saving by households (Rand, current prices)	7757460.064	9624898.88	10924222.82	11433468.8	12756735.9	14344833.1	14317196.1	14682713.4	18317297.3	18160750

Table 1.3.3 (b) Annual income of people in Kopanong, 1995-2004

What is significant from analyzing the data in Table 2.3.3 (b) is that over a ten year period of time the disposable income increased with approximately 187% and that savings increased with at least 132%. From this conclusion it is clear that a significant higher amount of money is circulated in Kopanong than 10 years ago. These figures correspond with that of the District. One could furthermore assume that it will be reflected in the economic activities of the Municipal area and that higher demand for services could be expected.

1.4 Social analysis

1.4.1 Housing

“Housing” is the concurrent competency of the national and provincial governments in terms of the Constitution of the Republic of South Africa 1996. Kopanong Municipality’s role and responsibilities in respect of housing in terms of section 9 of the Housing Act 1997 (Act No 107 Of 1997) is limited to planning for housing, township development and provision of bulk infrastructure, connector and internal services. However in terms of section 134 of the Local Government Ordinance 1962 (Ordinance No 8 of 1992) the Municipality may acquire, erect, construct and maintain dwelling-houses or other residential quarters and let such houses or quarters at such rentals and on such conditions as the Council may determine by resolution.

The Municipality as many other more remote Municipalities faces an enormous task to deal with the housing shortages and proper co-ordination and integration will be required to eradicate backlogs and to provide more for future growth. From the information provided, it could be suggested that there will be an increase in the housing shortage.

Dwelling type

Type	2001
House or brick structure on a separate stand or yard	14604
Traditional dwelling/hut/structure made of traditional materials	707
Flat in block of flats	69
Town/cluster/semi-detached house (simplex; duplex; triplex)	118
House/flat/room in back yard	74
Informal dwelling/shack in back yard	342
Informal dwelling/shack NOT in back yard	1353
Room/flatlet not in back yard but on shared property	137
Caravan or tent	24
Private ship/boat	9
Not applicable (living quarters is not housing unit)	164

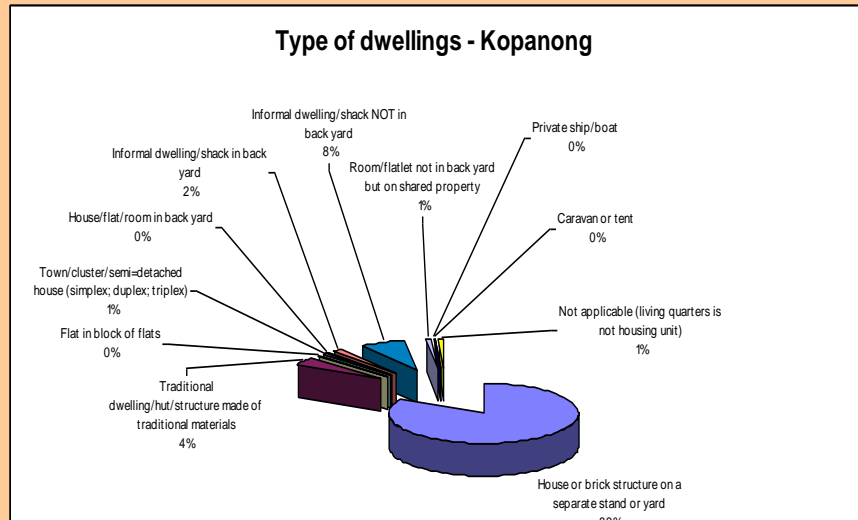


Table 1.4.1(a) Type of housing – Kopanong (2001)

Recent information on housing in the areas is not yet available and needs to be updated. However, the following official information can be shared. The Municipality estimated current housing backlogs to be 5842 units. However, recorded as the latest official statistics is 4340.

Local Municipality	Number of formal houses	Vacant residential erven	Informal housing		Total backlog in residential sites	Total current housing backlog
			Formal erven	Informal settlement		
Kopanong	9405	1738	817	3523	1785	4340

Table 1.4.1 (b): Backlog in housing and residential sites, 2005/6

1.4.2 Health Infrastructure

Health service provision is a competency of provincial government. Analysis of existing infrastructure indicate that the district is adequately served with lower level infrastructure like clinics for minor ailments compared to other similar municipalities in the province. However, some health services, like the drug depot, laboratory services and the regional hospital are still difficult to access since local households can only access these in outside regional centres like Bloemfontein.

Fixed clinics	Mobile Clinics (4 weekly range)	Vehicles	Ambulances	Commuter services	Radio-graphic services	District Hospitals (laundry, mortuary and theatre services)	Community Health Centre
10	6	11 + 8 subsidised	9	3	2 X-ray machines, 1 Radiographer, 1 Supplementary Radiographer, 1 Community Service Radiographer	Diamond hospital (Jagersfontein) – 32 beds	0

Table 1.4.2 (a): Health services available in Kopanong, 2003 Source: Department of Health (2005)

There is Home Based Care Support Groups established in all 17 towns of Xhariep. 9 out of 17 towns have established VCCT volunteer groups. Nevirapine is available in all district hospitals (Jagersfontein) and its clinics as well as clinics in Kopanong. The Health Department is intending to build new hospital in Trompsburg in 2007/2008. The hospital in Jagersfontein was upgraded during 2005.

All clinics are on a 24-hour call service. This implies that in a case of an emergency the staff on duty needs to be contacted by the patient or community to come and open the facility.

HIV / AIDS infections in the district are said to be high even though the anti-natal statistics from local clinics has not been analysed for this year's IDP, figures from last year IDP are still relevant for indicating patterns of prevalence.

These are indicated in the table below:

	Kopanong
Condom distribution	101896
HIV/AIDS test done on Antenatal Client (ANC)	253
Antenatal Client HIV positive	49
HIV test done on clients 5 years and older (Excl ANC)	473
HIV positive 5 years and older (excl ANC)	166
HIV test done on child under 5 years#	16
HIV positive under 5 years#	8

Table 1.4.2 (b): HIV/AIDS statistics for Kopanong, 2003. Source: Xhariep District Municipality HIV/AIDS Response Plan (2005)

1.4.3 Cemeteries

Cemeteries form part of authorizations for implementation by local municipalities in the district. The general management of cemeteries is a problem and in most cases there is a lack of funds to ensure effective maintenance and care of cemeteries. The high rate of HIV and AIDS is reaching alarming proportions and need to be considered in the planning for cemeteries.

Cemeteries are provided in each of the urban areas. Farming communities either utilise private cemeteries on farms or bury their loved ones in town. The following cemeteries facilities are available in the area:

Local Municipality	Number of cemeteries closed	Number of cemeteries in use	Average number of burials per month
Kopanong		23	20

Table 1.4.3: Cemeteries, 2004

1.4.4 Sports and Recreation Facilities

There are ample sport and recreation facilities in the district. However, the condition of these facilities is not always good due to a lack of maintenance and vandalism. This hampers poor communities to gain access to these services. However, unemployed youth loiter in the street and recreational facilities and programs must be implemented to direct their behavior towards active participation and to serve as a deterrent to unsociable and criminal behavior. Sport does have the potential to unite communities across cultural and racial boundaries and all inhabitants must be encouraged to participate in sport and social activities. It is therefore essential to improving on creating the necessary infrastructure and facilities in both urban and rural areas. Although effective recreation activities, such as sport support development, there is only 1 sport center in the district.

Local Municipality	Kopanong	Xhariep
Multi-function Stadium:	1	12
Soccer fields:	26	38
Rugby Field	9	16
Golf:	6	11
Athletics:	10	19
Swimming pools:	7	11
Cricket:	0	2
Hockey:	0	1
Tennis:	29	47
Netball:	14	21
Squash:	1	3
Bowls:	8	15
Badminton:	0	3
Boxing:	0	0
Karate:	0	1
Basketball:	2	3
Horse racing:	1	7

Table 1.4.4: Sport and recreation facilities , 2002.

1.4.5 Educational Analysis

A high level of illiteracy exists in the region especially in the rural areas and efforts to address this problem are hampered by a lack of facilities and unavailable resources. The lack of quality education and accessibility in rural areas is causing parents to relocate to urban areas which contribute to social problems. However the short term planning of the Department of Education is to take responsibility and control of these

schools. The transport of learners, in the rural areas is a problem, as learners are required to travel long distances by foot. There is general lack of technical and agricultural training facilities throughout the region.

Education Attendance

Level	2001
None	38663
Pre-school	1454
School	15453
College	85
Technikon	45
University	60
Adult education centre	150
Other	33

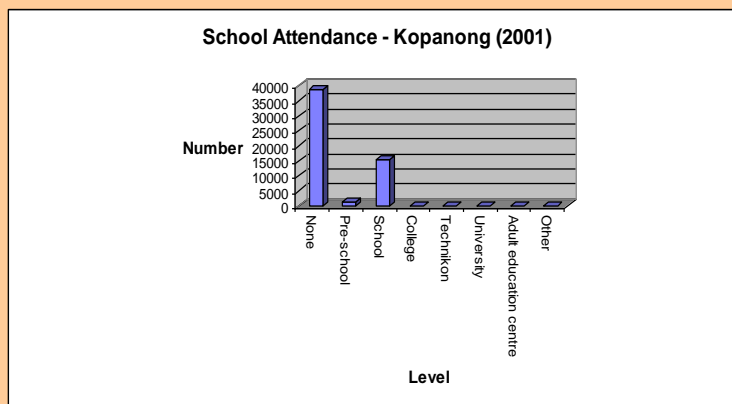


Table 1.4.5 (a) Educational Attendance – Kopanong

Educational institutions being attended by 5 to 24 year olds deliver important development needs for Kopanong.

Many schools are closing down, especially in the rural areas. The following table gives a breakdown of the school facilities in the district for 2003:

Area	Primary	Farm (Primary)	Combined	Intermediate	Secondary	Total
Kopanong	11	20	6	4	8	49

Table 1.4.5 (b): Education facilities in Kopanong, 2003

There are presently 2 independent primary schools in Kopanong. The rest of the schools listed above are all public schools. The pupil/teacher ratios differ drastically from school to school. The following table gives an overview of these ratios:

Area	Primary (1 teacher / # of children)	Farm (Primary) (1 teacher / # of children)	Combined (1 teacher / # of children)	Intermediate (1 teacher / # of children)	Secondary (1 teacher / # of children)
Kopanong	30.6	16.7	32.4	26.7	27.8

Table 1.4.5 ©: Educator / Pupil ratio in public and farm schools, 2003. Source: Department of Education (2005)

It is evident from the above that in most cases a ratio of less than 35 learners per teacher is achieved throughout the Kopanong.

Area	Primary	Farm (Primary)	Combined	Intermediate	Secondary
Kopanong	4227	434	2491	1257	3278

Table 1.4.5 (d): Total number of learners enrolled at public and private schools, 2003. Source: Department of Education (2005)

Educational Levels

From the information provided in the next table it is clear that there is still too many people without schooling, Education and skills development is high on the priorities of development issues in South Africa. Although not the core competency of Kopanong Local Municipality, education needs to be availed to as many as possible of its residence.

School Level	Number
No schooling	9004
Grade 1/sub A (completed or in process)	2906
Grade 2/sub B	2073
Grade 3/standard 1	2989
Grade 4/standard 2	3411
Grade 5/standard 3	3638
Grade 6/standard 4	3896
Grade 7/standard 5	4254
Grade 8/standard 6/form 1	4955
Grade 9/standard 7/form 2	2534
Grade 10/standard 8/form 3/NTC I	3086
Grade 11/standard 9/form 4/NTC II	1952
Grade 12/standard 10/form 5/matric./NTC III	4449
Certificate with less than grade 12	84
Diploma with less than grade 12	30
Certificate with grade 12	293
Diploma with grade 12	712
Bachelor's degree	233
Bachelor's degree and diploma	153
Honour's degree	64
Higher degree (master's or doctorate)	57
Not applicable	5167

Table 1.4.5 (e) Educational levels – Kopanong

In most of the towns in the Municipality there are early childhood development centres established. The Department of Social Development finances some of these. However, it was recorded that the standard of education conducted at these centres are not always of high quality due to a lack of resources and proper regulation.

1.4.6 Disability profile

The % of disabled people is relatively low, but the level of support for the disabled is high compare to the average needs of people without disabilities.

Disability

Type	2001
No disability	50848
Sight	1335
Hearing	629
Communication	117
Physical	1102
Intellectual	447
Emotional	696
Multiple	769

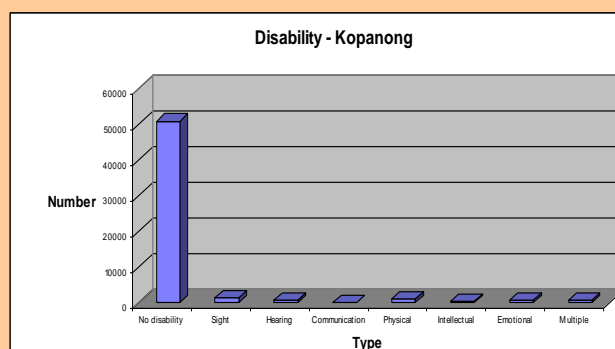


Table 1.4.6 Disability - Kopanong

1.5 Infrastructure analysis

The provision of infrastructure, development and growth is essential to assist towards accelerated growth investment initiative led nationally by the Deputy President's office (ASGISA). In cases where provincial departments and local municipalities play a leading role as their core functional area, the district municipality must ensure that they play a supporting

1.5.1 Water

The level of water supply according to the latest available statistics is reflected below. . Access to potable water in 2001 was:

Water Supply

Type	2001
No access to piped water	444
Piped water inside dwelling	4269
Piped water inside yard	10655
pipd water on community stand: distance less than 200m from dwelling	1152
pipd water on community stand: distance greater than 200m from dwelling	1114
Regional/local scheme	13567
Borehole	3302
Spring	38
Rain-water tank	293
Dam/pool/stagnant water	229
River/stream	54
Water vendor	94
Other	56

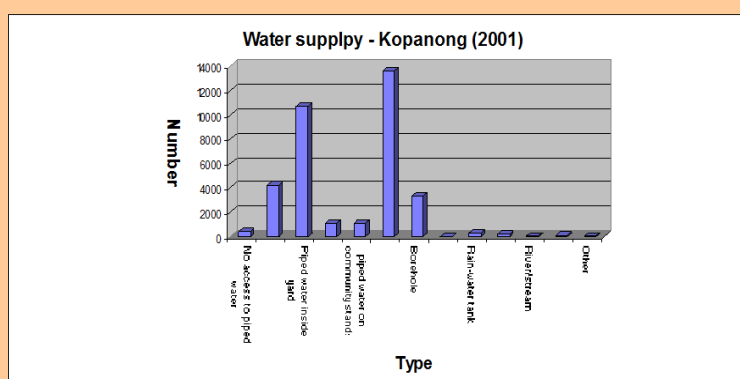


Table 1.5.1(a) Water supply (2001)

1.5.2 Sanitation

The eradication of the bucket system is still the main prevalent method of sanitation in the district only third to waterborne system as reflected from Table 2.5.2 (a) below. It is system that government continuously pushes to eradicate as it is unhygienic and thus causes diseases. Vigorous efforts must be employed to ensure that it is not one of the methods used. It must also be ensured that all other forms of sanitation systems are according to the required Departments of Water Affairs and Forestry and Health standards.

In general the bulk sanitation infrastructure in more urban areas are either insufficient for any future expansion or is close to reaching its full potential in the near future. Before any major internal sanitation upgrading can be considered, the bulk infrastructure will need to be upgraded to accommodate such expansions.

These levels of sanitation services of the local municipalities as well as the plans are depicted in the table below:

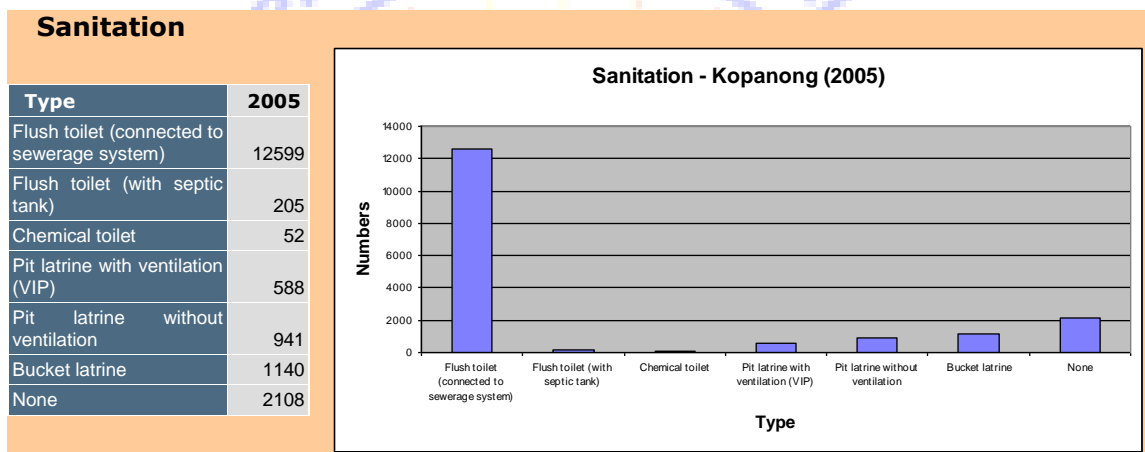


Table 1.5.2 (a) Sanitation levels in Kopanong

1.5.3 Electricity /Energy source

The bulk electrical network is well established specifically around Xhariep area. Eskom serves all towns in the Municipal areas and thus there is sufficient bulk infrastructure available to serve the whole area.

However a change in cost recovery and their subsidization policy has made it very expensive to electrify the rural areas and these include farms and farming communities who need such basic power support.

Source of Energy for Lighting

Households	2001
Electricity	14381
Gas	18
Paraffin	777
Candles	2287
Solar	100
Other	40

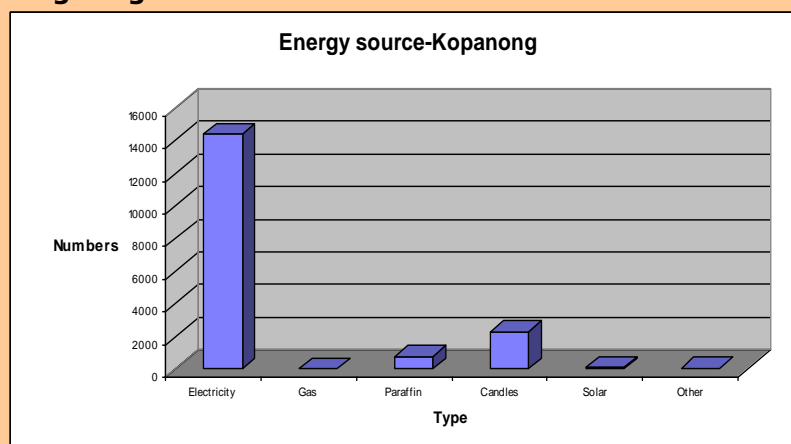


Table 1.5 3(a) Energy source - Kopanong

Although the electricity supply has improved in 5-years time, the number of people using candles is still alarmingly high.

1.5.4 Refuse Removal

Most towns experience problems with the management of their waste disposal sites and to meet the requirements of the Department of Water Affairs. A plan to establish a regional framework for effective waste disposal is required including the possibility of regional dumping sites and how to deal with toxic waste. The own dump of refuse could be investigated to introduce alternative methods.

Refuse

Method	2001
Removed by local authority at least once a week	12241
Removed by local authority less often	752
Communal refuse dump	57
Own refuse dump	3752
No rubbish disposal	800

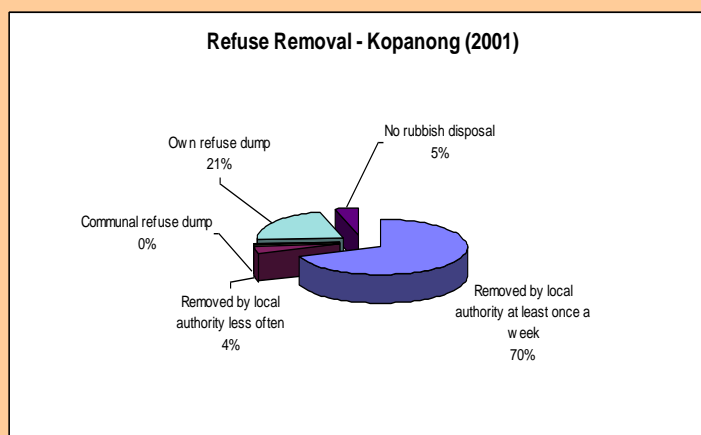


Table 1.5.4 (a) Refuse removal

The more urban areas are serviced, with refuse removal on a weekly basis. However, the effective and co-ordinated functioning of this service will have to be addressed.

Local Municipality	Number of waste sites	Number without permit	Number of sites with sufficient capacity	Frequency of waste collection service
Kopanong	11	10	8	Once per week

Table 1.5.4 (b): Waste removal services, 2004

1.5.5 Roads

The road network in the region needs to be maintained. The road condition is deteriorating at a rapid pace and very little maintenance is done due to a lack of funding. It is very important to maintain and upgrade all main routes in order to continue the flow of traffic throughout the area. An emerging fact is that since the drive to curb the overloading of vehicles, secondary roads are more frequented by overloaded trucks to avoid demarcated truck routes. These secondary roads are not designed to carry these weights and are thus being damaged within a short space of time.

There is a railway line in the Kopanong vicinity. Continued maintenance of tertiary roads is important as it forms the lifeline for the rural community, health, emergency and educational services. In the more urban areas the main problem is the condition of the streets and storm water drainage in the townships. In most of the townships, streets are in poor conditions with very little water drainage system. This is not only a problem to the local inhabitants but also complicates effective service delivery, policing, emergency services, public transportation, economic development and accessibility in general. Due to high cost of road construction this problem also has to be resolved in a systematic, integrated and sustainable way.

1.5.6 Transport

The transportation in almost all districts is still insufficient.

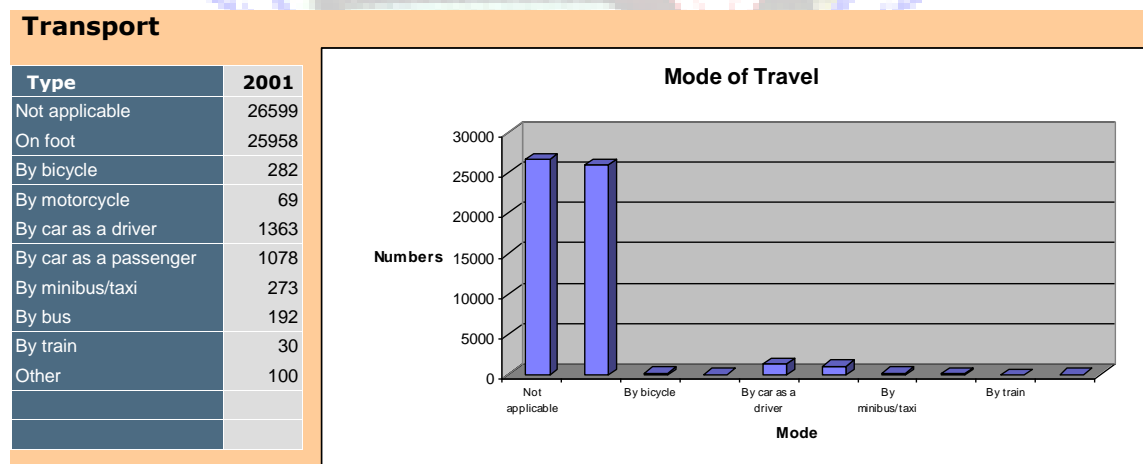


Table 1.5.6 – Mode of travel , Kopanong

1.5.7 Telecommunications – Access to landlines (telephones)

Two types of telecommunication systems exist in the areas: **TELKOM System** –Their policy of cost effective services however means that farming communities that do not use the phone adequately cannot have access. Thus the use of Telkom phones is

denied to these communities in emergency situations. Telkom infrastructure is prone to theft and thus the cost of providing such a service increases. However, continued use of such a service dictates continued accessibility and enjoyment of the same service.

Cell Phone System – private companies such as **Vodacom, Cell C, MTN** and lately **B-Tel** do provide enough coverage of the whole area.

Access to telecommunication facilities increased rapidly over the past five years. The conclusion is also drawn that the contribution of access to cellular phones is dependant on higher household income.

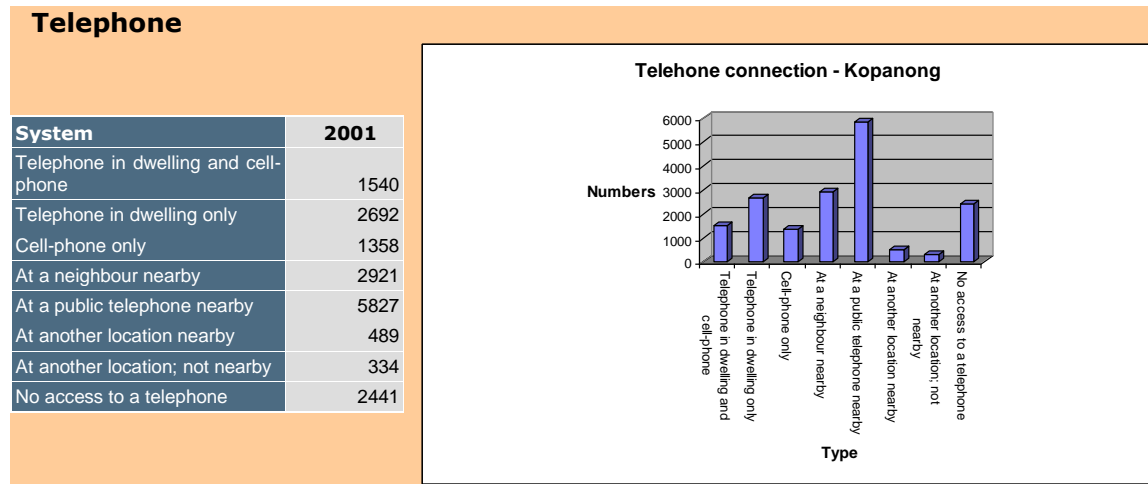


Table 1.5.7 Access to telephones - Kopanong

1.6 Safety and Security

As would be expected in smaller towns, the general crime rate is lower than other urban nodes in the province. However certain crimes are more prevalent and are on the increase. Within urban areas these particularly include crime associated with alcohol abuse, such as vandalism, assault etc. Within the rural areas stock theft is constantly increasing and personal attacks on farms are also emerging.

The current level of crime is of concern and is not bound to a specific area or person. There is also an increase in the number of housebreaking and violence against women and children, who are the most vulnerable, is unacceptably high, some contributing factors are as follows:

- High unemployment rate and migration from rural to urban areas.
- Lack of resources within the police service (transport, manpower).
- Ineffective functioning of neighbourhood watch organization and community police forums.
- Lack of visible policing.
- Lack of accessibility to police stations.

More facilities such as mobile police stations, available transport and accessible communication systems are required to improve crime prevention and emergency response.

1.6.1 Crime

It needs to be mentioned that specific statistics available for Kopanong could be used to track the trend of crime in the areas. The type of crimes imposing on the safety of the people of the district is as follows:

	Murder	Rape	Attempted murder	Assault with intent to inflict grievous bodily harm	Common assault	Robbery with aggravating circumstances	Common robbery	Indecent assault	Kidnapping	Abduction	Neglect and ill-treatment of children
Kopanong FS 162											
Bethulie	5	20	1	85	201	2	8	4	0	0	2
Edenburg	3	13	0	88	124	1	3	2	0	1	2
Fauresmith	2	4	0	39	50	0	3	0	0	0	1
Gariepdam	0	4	2	12	19	0	1	0	0	1	0
Jagersfontein	2	13	4	66	121	4	7	2	0	0	3
Phillipolis	1	9	0	59	59	0	7	2	0	1	1
Reddersburg	4	20	0	83	105	3	14	5	0	1	2
Springfontein	2	6	2	49	64	1	3	1	0	1	6
Trompsburg	15	48	18	214	218	35	45	7	2	4	5
	Culpable homicide	Public violence	Carjacking	Truck hijacking	Bank robbery	Robbery of cash in transit (Sub Category of Robbery Aggravating)	House robbery (Sub Category of Robbery Aggravating)	Business robbery (Sub Category of Robbery Aggravating)	Arson	Malicious damage to property	Crimen injuria
Bethulie	2	0	0	0	0	0	0	0	0	35	66
Edenburg	4	0	0	0	0	0	0	0	1	19	26
Fauresmith	1	0	0	0	0	0	0	0	1	14	25
Gariepdam	1	0	0	0	0	0	0	0	0	8	10
Jagersfontein	3	0	0	0	0	0	0	0	0	28	37
Phillipolis	2	0	0	0	0	0	0	0	2	15	39
Reddersburg	3	0	0	0	0	0	0	0	1	34	64
Springfontein	4	0	0	0	0	0	0	0	1	20	30
Trompsburg	1	0	1	0	0	0	1	2	6	89	47
	Burglary at residential premises	Burglary at business premises	Theft of motor vehicle and motorcycle	Theft out of or from vehicle	Stock theft	Illegal possession of firearm and ammunition	Drug related crime	Driving under the influence of alcohol or drug	All theft not mentioned elsewhere	Commercial Crime	Shoplifting
Bethulie	69	50	1	8	44	1	26	2	97	2	11
Edenburg	44	13	0	9	53	1	1	1	50	3	1
Fauresmith	26	9	1	4	30	0	6	8	31	0	10
Gariepdam	11	2	6	2	4	0	4	0	26	4	2
Jagersfontein	34	8	2	6	8	1	6	4	57	2	11
Phillipolis	18	7	0	4	22	0	0	4	42	1	1
Reddersburg	40	4	1	9	57	4	3	4	65	1	1
Springfontein	18	5	0	1	27	0	1	2	32	1	0
Trompsburg	159	3	17	26	0	4	28	2	129	2	0

Table 1.6.1 Crime statistics – Kopanong

1.6.2 Disaster

There is no disaster management center in the Municipality. The challenges recorded in the FSGDS include:

- The transfer of fire fighting services to the district municipality
- Establishment of fire protection areas
- Establishment of fire fighting services
- Procurement of fire fighting equipment
- Recruitment and training of personnel

Municipality	Disaster Management centre	Fire fighting services	EMS	Provincial roads and traffic inspectorate	Local roads and inspectorate	SAPS	South African National Defence Force (DSANDF)	Hazardous materials Spillage cleaning companies
Kopanong		X	X	X		X		

Table 1.6.2 Disaster infrastructure, Kopanong

1.7 Institutional in-depth analysis

Priority issues based on a summary report on in-depth analysis undertaken by Kopanong revealed interesting facts.

The regional analysis of Kopanong directly informs the Integrated Development Plan (IDP) for the next five years, 2007-2012. Information acquired from available data in terms of growth, trends, and development potential support decision makers to plan efficiently. Additionally, development goals set by Government, Provincial development strategies such as the FSGDS 2006-2014 direct local development. The National Spatial Development Perspective (NSDP) reveals crucial information in terms of the development potential of Kopanong. Ultimately, engagement with the people of Kopanong through public participation attempts will assist the Municipality to prioritize development issues in Kopanong. These issues include infrastructure and services, housing and land availability, local economic development and tourism, education and skills development, sports and recreation and finally the safety and security of the people of Kopanong.

All intervention and development initiatives and plans are intended to stimulate growth, create an environment conducive to economic growth and to improve the lives of the people of Kopanong.

Population growth and migration

No migration of people is expected towards Kopanong. An influx of people to Kopanong is not predicted.

Gender

Based on the outcomes of the gender analysis there must be effort made to ensure that women developmental activities are prioritized. These activities should include opportunities in formal employment capitalizing on national policy provisions such as broad based black empowerment initiatives, Equal Employment Act and employers being gender sensitive in their quest to bring parity of gender in their employment strategies.

Age

The age distribution of the population of Kopanong the following interventions in the area:

- A need for quite a number of primary schools, sports and recreation facilities for children
- In particular, the age group 5-14 have a higher % population in the combined categories of 0-4. Age groups 15-64 should be assessed especially when it comes to employment creation, employment opportunities in the district, and a number of training institutions around and/or in the nearby municipalities.
- The Municipality must be prepared to equip the youth to be competitive in case they decide to migrate to other areas in order to find employment
- For the aged, thought must be given to existing infrastructure meant for their livelihood like old age homes as well as the existing family support structures for their safe keep in their times of need.

Economy – GDP

“Government Services” is the biggest contributor to GDP in Kopanong, followed by agriculture. The smallest contributor to GDP is construction, followed by mining and manufacturing.

One can assume that the latter (construction) will increase within the next year or three due to the current construction initiatives in the area. This picture could change drastically with influx of people to facilities and employment opportunities resulting from amongst others the hospital-under-construction in Trompsburg.

What is however more significant is the major growth in wholesale and retail trade from 1995 to 2005.

Employment and sector contributions

Approximately 40.2% people in Kopanong still lives in poverty. An alarming high % of the population of Kopanong reflects no income and therefore poor. The demand for social service intervention is high. This figure enforces a high demand for job opportunity creation.

It is apparent that the economy of the region is dominated by **agriculture** followed by community services.

- “**Agriculture**” reflects a consistent employment rate with limited growth from 1995 to 2005.
- A decline of employment in the **construction** industry is visible for both the District and the Municipality. However, with the current building activities in Trompsburg (including a hospital) one can assume that for at least the next two to three years this figure could increase drastically.
- The “**Electricity and water**” sector reflects low potential for employment opportunities in Kopanong. However, with the current need for electricity interventions one can expect that this scenario might change in due course.
- Over a ten year period of time the **Finance and Business Services** sector has shown a growth of 100% for the District and at least 65% for Kopanong. Although still minute in numbers, this sector promises more employment opportunities in future.
- The **mining and manufacturing** sector is insignificant.
- The employment opportunities in the **transport and communication** sector gradual decline over a ten year period in both the District and Municipality is visible.

- An increase of at least 32% over ten years in employment in the **wholesale and retail, catering and accommodation** sector is recorded. With greater emphasis on tourism, this figure might increase in future.

Housing backlog

The Municipality estimated current housing backlogs to be 5842 units. However, recorded as the latest official statistics, is 4340. The highest need is recorded for Bethulie, followed by Phillopolis, Edenburg and Trompsburg.

Health infrastructure

The district is adequately served with lower level infrastructure like clinics for minor ailments compared to other similar municipalities in the province. However, some health services, like the drug depot, laboratory services and the regional hospital are still difficult to access since local households can only access these in outside regional centres like Bloemfontein.

Sports and recreation facilities

There are ample sport and recreation facilities in the district. However, the condition of these facilities is not always good due to a lack of maintenance and vandalism.

Education

A high level of illiteracy exists in the region especially in the rural areas. Efforts to address this problem are hampered by a lack of facilities and unavailable resources.

- The lack of quality education and accessibility in rural areas is causing parents to relocate to urban areas which contribute to social problems. (The Department of Education is taking responsibility and control of these schools).
- The transport of learners, in the rural areas is a problem, as learners are required to travel long distances by foot.
- A lack of technical and agricultural training facilities throughout the region is experienced.

Water

2,995 urban households do not have on-site water. A backlog of 1674 households is recorded for Kopanong. The highest need is in Trompsburg, followed by Bethulie and Phillopolis.

Sanitation

A backlog of 1674 households is recorded, the highest figure for Fauresmith, followed by Phillopolis.

Electricity

The bulk electricity network is well established although an alarmingly high number of people still use candles.

Roads and transportation

Transportation in the Municipal area is insufficient.

Safety and security

Common assault, burglary and theft are recorded as the main causes of crime in the area.



CHAPTER TWO

Kopanong Local Municipality: Towards Effective Service Delivery And Sound Financial Management

The Local Government Election of 5 December 2000 ushered the Municipalities in new era of developmental mode. This final transformation stage presented a number of enormous challenges. The Municipality had to deal with a plethora of issues. It had to amalgamate 9 towns administration viz. Bethulie, Edenburg, Fauresmith, Gariiep Dam, Jagersfontein, Philipollis, Reddersburg, Springfontein and Trompsburg.

Although this was a tremendous task, the municipality had succeeded into transforming all the administrations into one, except for the following few challenges:

Asset Register

A GRAP compliant asset register had now been compiled and the infrastructure assets had been unbundled. The biggest challenge now is the maintenance of the assets and the asset register.

Institutional Transformation

The municipality had succeeded into reviewing the IDP successful in-house. The PMS system had been fully reviewed and had been implemented in the 2011/12 financial year.

The municipality's budget has been changed to ensure that it is in the new format as prescribed by the MFMA.

Key Challenges Facing the Municipality

Kopanong Local Municipality's economy is very weak with only agricultural activities as its main economic activities. Currently the unemployment rate stands at 32% in terms of the 2001 census. The above factors place a large task on the Municipality to revive its economy in order to create job opportunities. The key challenges for the municipality are:

- To develop a coherent local economic development strategy to create job opportunities.
- To ensure sustainability of the Municipality through sound administration and financial management.
- Deepening participatory democracy and good governance.
- To enhance effective service delivery to the community.

CHAPTER THREE

KOPANONG LOCAL MUNICIPALITY: Executive and Council Structure

MUNICIPAL COUNCIL

8 Ward Councilors
7 Party Representatives
15 Councilors

Speaker chairs
council meetings

8 Ward
Committees

EXECUTIVE COMMITTEE

Mayor
2 Councilors
3 Section 80 Committees

Chaired by Mayor



TX Matwa
Mayor – Chairperson Executive Committee



Councilor HM Hagemann
Executive Committee Member



Councilor KE Dhlomo
Executive Committee Member

Function: Kopanong Executive Committee and Council		
REPORTING LEVEL	DETAIL	
Overview:	The three Executive Committee Members were each assigned a portfolio committee established in terms of Section 80 of the Structures Act, consisting of Councilors representing various political parties in Council. Section 80 Committees were expected to meet regularly and discuss those matters referred to them by Management and the Executive Committee in order to provide advice and recommendations for the Executive Committee to exercise those powers delegated to the Executive Committee by the Council or for the Executive Committee to make further recommendations to the Council on those matters where the delegated powers vest with the Council.	
Function:	The function of the Executive Committee and Council of the Kopanong Local Municipality is administered as follows and includes:	
	Ward Committees: Their primary role is to identify development priorities of their communities and make recommendations to Council through the ward councilor, who is the chairperson. In this way, ward committees enhance community's aspirations and hopes. They also serve as grass root governance tools for deepening local democracy and empowering the people.	
Analysis:	Distribution of Seats in the Kopanong Municipal Council: African National Congress (ANC) Democratic Alliance (DA) Congress of the People (COPE) Independent Councilor Details: Total number of Councilors Number of Councilors on Executive Committee Ward Details: Total number of Wards Type of Council and Committee Meetings Executive Committee meetings Financial Committee meetings Institutional Transformation Committee meetings Infrastructure, Technical & Community Committee meetings Ordinary Council meetings Special Council meetings	10 3 1 1 15 3 8

CHAPTER 4

4.a VISION

To be a vibrant and successful through quality

The mission:

To provide excellent services that are sustainable and affordable in a participatory manner

4.b Key Development Objectives and Strategies

4.1 KPA 1 MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT

Facilitating Department: Corporate Services

4.1.1 Governance and Administration

OBJECTIVE	DEVELOPMENT STRATEGIES	OPERATIONAL STRATEGIES
To provide effective and local governance and administration To ensure the development of Municipality's human resources	Prepare, adopt and implement a local integrity system	Ensure effective internal control
	Update and implement Municipality's work place skills plan	Ensure compliance with legislation
	Provide life skills training to employees in elementary positions	Improve discipline in the work place in terms of published work place rules
	Prepare, adopt and implement a youth development programme	Ensure effective management of the Municipality's assets

OBJECTIVE	DEVELOPMENT STRATEGIES	OPERATIONAL STRATEGIES
To improve the Municipality's internal and external communication	Ensure that there are adequate and user friendly communication facilities between the Municipality and local communities	Ensure effective communication between municipal offices in Kopanong
	Encourage telecommunication service providers to increase accessibility to services	Maintain and update the Municipality's website regularly
	Develop a newsletter for the Municipality	
	Develop a Website for the Municipality	

4.2 KPA 2 IMPROVED BASIC SERVICE DELIVERY AND INFRASTRUCTURE INVESTMENT

Facilitating Department:

Technical Department

4.2.1 and 2 Water & Sanitation

OBJECTIVE	DEVELOPMENT STRATEGIES	OPERATIONAL STRATEGIES	PROJECTS
<p>To provide portable water and sanitation services in a sustainable manner</p> <p>Provide acceptable sanitation infrastructure December 2011</p> <p>To improve the supply of bulk water</p> <p>To explore alternative methods for providing portable water and sanitation in rural areas</p>	Provide adequate sewage and water infrastructure	Maintain boreholes (where maintenance has not been transferred to Bloem Water) water reservoirs, purification plant, pumps, reticulation networks, oxidation ponds and sewage	<p>Sewer network and bucket eradication</p> <p>Extension of networks to newly developed sites - Springfontein and Edenburg, Trompsburg, Bethulie & Philippolis</p> <p>Upgrading of communal standpipes as follows: Springfontein: 10 standpipes</p> <p>House Connections Fauresmith, Bethulie & Springfontein</p>
	Ensure that portable water comply with prescribed quality standards	Acquire appropriate and adequate equipment for unblocking sewer system	
	Educate local communities about the cost and usage of water and sewage services	Set service standards in relation to water and sewage services, e.g. water pressure and response time to enquiries etc.	

OBJECTIVE	DEVELOPMENT STRATEGIES	OPERATIONAL STRATEGIES	PROJECTS
	Investigate the possibility of recycling waste water	Consolidate and modernize current water supply, regulations applicable in the Municipality in line with DWAF's model water services bylaws	Water services bylaws
	Improve sanitation in rural areas	Ensure that water samples are regularly taken and analyzed and the results acted on	<p>Identify the need for improved sanitation in rural areas</p> <p>Negotiate with farmers on other methods of sanitation in rural areas</p> <p>Liaise with DWAF for funding for rural sanitation projects</p> <p>Communal gardens</p> <p>Sewer network and bucket eradication</p>

4.2.3 Electricity

OBJECTIVE	DEVELOPMENT STRATEGIES	OPERATIONAL STRATEGIES	PROJECTS
To ensure the provision of adequate and sustainable electricity services to all consumers	Extend the existing electricity network to unserved areas	Ensure effective maintenance of electricity networks and area lighting	Household electricity connections
	Upgrade the existing network to ensure sustainability		Provision of electricity in extension 7 at Bethulie.
	Together with Centlec, conduct an		Electrification of houses at

	awareness campaign on efficient and safe use of electricity		Trompsburg, Faurismith, Jagersfontein and Edenburg
	Minimize electricity distribution losses		
	Provide free basic electricity in accordance with current policy		
	Negotiate/renew service levels and standards for electricity provision with Centlec		

4.2.4 Roads, Streets and Storm Water

OBJECTIVE	DEVELOPMENT STRATEGIES	OPERATIONAL STRATEGIES	PROJECTS
To have good trafficable roads and streets in both urban	Ensure that the municipality has trained personnel to construct and maintain roads and streets	Regularly maintain existing storm water drainage systems	Upgrading of storm water in Jagersfontein, Fauresmith, Edenburg, Springfontein, Gariep Dam, Reddersburg
			Upgrading of access roads in Springfontein and Fauresmith
			Upgrading of access roads in - Jagersfontein, Edenburg, Gariep Dam, Reddersburg
	Influence the provincial Department of Roads to construct and improve bridges in rural areas and flyovers on the national roads	Effectively maintain road building equipment	
	Install storm water drainage systems where required and improve systems where these are inadequate		
	Acquire new road building equipment		
To facilitate the provision of accessible public transport within urban and rural area in Kopanong, including transportation facilities such as taxi ranks	Facilitate building of taxi ranks	Facilitate law enforcement by provincial traffic authorities	
	Ensure that transport facilities cater for disabled people	Encourage transport operators to register with the Department of Transport	
	Facilitate provision of public transport for farm workers and learners at farm schools		

4.2.4 Land Reform

OBJECTIVE	DEVELOPMENT STRATEGIES	OPERATIONAL STRATEGIES	PROJECTS
To facilitate equal and fair redistribution of land and previously disadvantaged groups	Provide assistance and information to communities about the opportunities available to acquire land		Development of residential sites in Reddersburg (200)
	Do proper town/land use planning		Development of residential sites in Fauresmith (200)
	Facilitate finalization of land restitution cases		

4.2.5 Cemeteries

OBJECTIVE	DEVELOPMENT STRATEGIES	OPERATIONAL STRATEGIES	PROJECTS
To increase available cemetery space in all towns To ensure that cemeteries are well-maintained, secure and fenced	Identify, required/set aside suitable land for new or extension of existing for cemeteries	Ensure proper management of cemeteries	Upgrading and fencing of cemeteries
	Upgrade existing cemeteries, e.g. fencing, greening, supplying toilet facilities and water		
	Conduct education awareness campaign to encourage communities to clean and maintain cemeteries		

4.2.6 Disaster Management

OBJECTIVE	DEVELOPMENT STRATEGIES	OPERATIONAL STRATEGIES	PROJECTS
To develop a disaster management plan	Develop a disaster management plan		Disaster management plan
			Investigate the possibility of establishing a satellite fire fighting station or provide fire fighting vehicles

4.2.7 Development and Planning and Housing

Facilitating Department: Technical Department

OBJECTIVE	DEVELOPMENT STRATEGIES	OPERATIONAL STRATEGIES	PROJECTS
To produce 8,000 serviced sites by 2012 to supply the housing need. To facilitate the construction of 6,000 houses for poor people by 2012	Provide serviced building sites in all towns	Ensure strict adherence to the housing code	
	Encourage use of local material and resources, bricks, sand and labour etc	Ensure compliance with building standards and regulations in housing projects	
	Facilitate preference being given to SMME's in awarding housing development contracts	Facilitate the process of transferring ownership of properties to beneficiaries of housing schemes and handing over of title deeds	

4.2.8 Waste Management (Refuse removal)

Facilitating Department: Community Service Department

OBJECTIVE	DEVELOPMENT STRATEGIES	OPERATIONAL STRATEGIES	PROJECTS
To ensure that landfill sites are managed and operated according to the relevant permit conditions and the district integrated waste management plan To register landfill sites with the Department of Environmental Affairs and Tourism and the Department of Water	Facilitate training of emerging farmers in soil conservation	Enforce legislation aimed at the conservation of the environment	Maintenance of the landfill sites Bethulie, Gariep Dam, Philippolis Facilitated the construction of landfill sites at Gariep dam, Reddesburg,
		Prepare, adopt and enforce bylaws aimed at the conservation of the environment	

Affairs and Forestry To identify and develop appropriate land for the provision of landfill sites			Edenburg, Philipollis and Faurismith
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4.2.9 Parks and Recreation

Facilitating Department: Community Service Department

OBJECTIVE	DEVELOPMENT STRATEGIES	OPERATIONAL STRATEGIES	PROJECTS
To upgrade and maintain existing sport and recreation facilities	Promote control and ownership of sport and recreation facilities by local communities	Facilitate active communication with the relevant department	Upgrading of existing sport facilities in Bethany
	Complete unfinished grading projects	Effectively maintain and manage sport and recreation facilities	Upgrading of existing sport facilities in Fauresmith
	Review all contracts regarding sports facilities		Upgrading of Community Halls At Trompsburg, Springfontein and Reddesburg.
	Ensure accessibility of sport facilities to local communities		

4.2.10 Sports and Recreation

Facilitating Department: Community Service Department

OBJECTIVE	DEVELOPMENT STRATEGIES	OPERATIONAL STRATEGIES	PROJECTS
Upgrading and maintenance of sports and recreation facilities	Upgrading of sports fields Bethanie, Fauresmith	Upgrading, maintenance and fencing Fencing of swimming pools	Upgrading of sports fields Bethanie, Fauresmith
	Policy on provision & utilisation-sport facilities		Fencing of swimming pools

4.2.11 Education and libraries

Facilitating Department: Community Service Department

OBJECTIVE	DEVELOPMENT STRATEGIES	OPERATIONAL STRATEGIES	PROJECTS
To encourage high standards of education and the upgrading of educational facilities	Encourage a high standard of education	Ensure sound communication between DOE and the Municipality	Conversion for disabled learners at Itumeleng PS
	Encourage provision of an agricultural school and tertiary education and training institutions		Fencing of Pellisier CS Fencing of Philippolis SS Paving at Itumeleng PS Paving at and painting of Trompsburg SS
	Facilitate provision of ABET in rural areas and in the workplace and encourage community members to enroll for ABET programmes		Paving at St Lawrance PS Paving at Botle ba Thuto PS Paving at Springfontein SS
	Facilitate improvement of existing school libraries		Paving at Oranjekrag IS Paving at Madikgetla PS

	Encourage career guidance in mathematics, science, ICT and commercial subjects		Paving at Tshwaraganang PS Paving at Vooruitsig PS Paving at and painting of Olien SS
	Establish maintain good relations with schools		
	Encourage and promote and "adopt a school" campaign amongst community leaders		
	Reward best performing school in Kopanong		

4.2.12 HIV/AIDS and Health

Facilitating Department: Community Service Department

OBJECTIVE	DEVELOPMENT STRATEGIES	OPERATIONAL STRATEGIES	PROJECTS
<p>To promote a safe and healthy environment, including the provision of fire and rescue services on the N1</p> <p>To facilitate the improvement of existing health services, especially the provision of clinic services, emergency medical services, reduction of HIV/AIDS and other life threatening diseases</p> <p>To ensure that towns are maintained at an acceptable level of cleanliness</p>	Educate community on the importance of a clean environment	Provide appropriate receptacles to dispose of rubbish and waste in town centre and public areas	Diamant Hospital upgrading
	Conduct clean up campaigns	Ensure compliance with relevant legislation during construction work	
	Implement a land –use managemesystem		
	Strengthen land forums and encourage participation in voluntary work		<p>Provision of 24 hour medical services - clinics within 15km of all residents</p> <p>To facilitate upgrading of existing clinics</p>
	Facilitate the availability of 24hr ambulance and health services and stationing an ambulance in every town		
	Facilitate the employment of every primary health care personnel and improved availability of doctors at clinics		Building a hospital in Trompsburg
	Facilitate regular health access to personal health services for rural communities through mobile health services		
	Facilitate the availability of 24hr ambulance and health services and stationing an ambulance in every town		
	Encourage the building of additional clinic facilities		
	Engage with XDM and HOD regarding the provision of environmental health services in Kopanong, incl the abatement of nuisances		
	Investigate alternative ways of providing fire and rescue services, especially along the N1 and N6		

4.2.13 Social Welfare

Facilitating Department: Community Service Department

OBJECTIVE	DEVELOPMENT STRATEGIES	OPERATIONAL STRATEGIES
To support the service of the Department of Social Services	Facilitate the establishment of local offices of the department of Social Development	
	Facilitate regular visits by officials of the Department of social Development	
	Engage the Department of Social Development to deploy more social workers to Kopanong	
	Encourage the involvement of NGOs in social development and welfare	
	Promote access to indigent persons to welfare services Develop a bursary policy	

4.2.14 Safety and Security

Facilitating Department: Community Service Department

OBJECTIVE	DEVELOPMENT STRATEGIES	OPERATIONAL STRATEGIES
To collaborate with SAPS on all its programmes To improve streets and area lighting in all towns	Facilitate the establishment of CSFs for all police stations	Encourage coordination between CSFs in the Municipality
	Liaise with the SAPS regarding increasing of staff, especially women	
	Encourage the establishment of community vigilance organizations	
	Encourage community members to join the police reserves	
	Facilitate the establishment of support centre for victims of rape and domestic violence	
	Facilitate the establishment of inter-mediator rooms at magistrate courts	
	Encourage sector policing	
	Facilitate improving the effectiveness of CSFs	
	Encourage community education on issues of safety and security	

4.3 KPA 3 LOCAL ECONOMIC DEVELOPMENT

Facilitating Department: Office of the Municipal Manager

3.3.1 Tourism

OBJECTIVE	DEVELOPMENT STRATEGY	
To promote local tourism	Improve awareness of local communities of the economic development potential of tourism	Packaged marketing for the region
	Establish a tourist information office	
	Encourage continuous improvement of the quality and range of tourism services and facilities, e.g. accommodation establishments	Rock art site at Gariep, Fossilised trees at Lokshoek Farm, Jagersfontein hole
	Ensure improvement of roads and signage	Route marker signs in and out side Gariep Dam
	Promote and support local festivals and activities, e.g. Philipolis Witblits Fees, Gariep Water Festival, Fauresmith Endurance Run, National saddle Horse Show, National Rubber Duck Championship, National Junior Bicycle Championship	

4.3.2 Agriculture

OBJECTIVE	DEVELOPMENT STRATEGY	PROJECTS
To facilitate, encourage and support public and private initiatives to promote agricultural extension programmes, including processing of agricultural produce	Promote livelihood security and self reliance	
	Make land, under and utilized building and equipment available for LED projects	

4.3.3 SMME Development

OBJECTIVE	DEVELOPMENT STRATEGY
To create an environment that is conducive for investors to invest in both urban and rural areas, including the availability of suitable land for a variety of issue, e.g. business commercial and industrial	Facilitate business management skills development for SMME's
	Prefer local SMME's when awarding contracts, including in the execution of housing projects
	Provide incentives to investors
	Promote solid waste recycling as a business opportunity
	Investigate municipal service partnership, e.g. concession etc, as business opportunities

4.4 KPA 4 FINANCIAL VIABILITY AND FINANCIAL MANAGEMENT

Facilitating Department: Department of Finance

4.4.1 Financial Management

OBJECTIVE	DEVELOPMENT STRATEGIES	OPERATIONAL STRATEGIES
To provide effective and local governance and administration	Ensure the financial sustainability of the Municipality	Effectively maintain and secure the Municipality's information technology system

4.5 KPA 5 GOOD GOVERNANCE, COMMUNITY PARTICIPATION AND WARD COMMITTEE SYSTEMS

Facilitating Department: Office of the Municipal Manager

4.5.1 Public Participation

OBJECTIVE	DEVELOPMENT STRATEGIES	OPERATIONAL STRATEGIES
To provide effective and local governance and administration	Prepare, adopt and implement a good governance charter for the Municipality	Promote the effectiveness of ward committees
	Prepare, adopt and implement a comprehensive risk management policy for the Municipality	Hold regular meetings with local communities through ward and public meetings

CHAPTER FIVE

KOPANONG LOCAL MUNICIPALITY: Administrative Structure

The Kopanong municipal administration has been organised into 4 main departments. Each of the departments including the municipal manager's office contains a set of operational divisions. Service plans are developed by each department to ensure quality and effective delivery. The management team's mission is to oversee, coordinate and manage the transformation and strategic agenda of the municipality as well as facilitate the transformation process by providing strategic advice and project support to the Municipal Manager, Executive Committee and Council.



LY Moletsane Municipal Manager



MJ Mekhoe
Director: Finance



CK Manzana
Director: Corporate



PM Makau
Director Community



KP Sebusi
Director: Technical

OFFICE OF THE MUNICIPAL MANAGER

MUNICIPAL MANAGER

Integrated Development plan	Performance Management	Internal Audit
Community Participatory	Transformation	Local Economic Development



LY Moletsane - Municipal Manager

DEPARTMENT	<p>The following divisions are managed by the Municipal Manager</p> <ul style="list-style-type: none"> • Integrated Development Plan • Performance Management • Sustainable Development • Local Economic Development • Transformation 	
FOCUS	<p>The primary focus of the department is:</p> <ul style="list-style-type: none"> • To give priority to the basic needs of the community. • To promote social and economic development of the community. • To participate in provincial and provincial and national programs. • To structure and manage its administrative budgeting and planning. 	

THE YEAR UNDER REVIEW

In an endeavor to comply with the challenges of the developmental local government the Municipality had to re-orientate its systems, organisational structure, planning and the Human Resources.

Integrated Development Plan

The 5 year Integrated Development Plan was successfully developed for the years 2007 – 2012. However it needs to be pointed out that owing to the financial position of the Council almost 95% was largely financed from external sources. Despite that fact, some programs as identified in the IDP for this year were successfully completed. The IDP was also reviewed during the 2011/12 financial year.

Performance Management System

The Municipal Systems Act of 2000 requires municipalities to measure its performance by formulating a Performance Management System. The 2011/12 financial year's results had been measured and the results are part of this report.

Municipal Transformation and Organizational Development

The municipality has also through the implementation of systems and the above policies ensured that it complies with all legislation as far as possible.

Local Economic Development

As earlier indicated in the report the Kopanong Local Municipality's economy is relying on agricultural activity and the Municipality had to focus on this. The LED unit was established in the prior financial year with a LED Data Capturer and LED Officer. The LED strategy was developed and approved by Council in July 2008, with an implementation plan. The Municipality also developed a Tourism Strategy. However they are currently being reviewed.

The infrastructure program also plays a role in the LED as it is creating job opportunities.

Financial Viability

The Trade Creditors stands at R 87 576 106 million currently. The Municipality has arrangements with the following institutions: Bloem Water; SALA Fund; SAMWU Provident Fund and the Office of the Auditor-General and could not keep to all the arrangements. Effective governance was also approved by compiling and implementing important policies. Examples of policies implemented during the prior financial year are the Indigent Policy which includes free basic services, Procurement Policy, Credit Control Policy and Tariff Policy. These policies are reviewed annually during the budget process. The municipality is also busy implementing systems and internal control measures.

Challenges

The municipality still faces the following challenges in the Office of the Municipal Manager

Integrated Development Plan

The major challenge in ensuring a realistic IDP is the lack of funds to finance all the projects identified by the community and prioritised by the Council. The municipality is currently relying 100 % on grant funding to do capital projects and these grant funds are limited. The municipality's IDP and Capital Budget are therefore under large pressure.

Performance Management System

The system is in place and is currently under review. The main challenge is to beef up and ensure that the system is for the whole institution as we are budgeting on projections.

Local Economical Development

The implementation of projects is slow due to a lack of funds and another big challenge is to ensure that all projects that are done will be sustainable to ensure that the aim of improving the local economy is reached.

Minimum Competency Levels

Accounting Officer: The Accounting Officer has met the requirements of the Government Gazette No. 29967 on the Minimum Competency Levels as set out in Section 2 and 3 of the Gazette.

Chief Financial Officer: The Chief Financial Officer has met the requirements of the Government Gazette No. 29967 on the Minimum Competency Levels as set out in Section 4 and 5 of the Gazette.

Senior Managers of the Municipality: All the Senior Managers of the municipality have met the requirements of the Government Gazette No. 29967 on the Minimum Competency Levels as set out in Section 6 and 7 of the Gazette.

The municipality is working on all the above challenges to try and overcome it within the 2012/2013 financial year.

CORPORATE SERVICES



CK Manzana - Director Corporate Service

	The Department of Corporate Services comprise of the following divisions.	
HUMAN RESOURCES Personnel and Organisational development		ADMINISTRTRION Auxilliary services Adminstrative and Council Support
FOCUS <ul style="list-style-type: none"> The effective management of human resources in order to ensure the transformation of skills development, employment equity and performance appraisal. Provision of strategic human resources support to all Council business functions, people development and to ensure the maintenance of sound labour relations. 	<p>Ensure that the software utilised to support the transformation process complies with acceptable standards and regulations.</p> <p>The effective management of an administration system that is efficient and facilitates decision making and service delivery throughout Kopanong</p>	<p>Provides administrative, logistical, operative, telecommunications management.</p> <p>Manage the Corporative Services budget so that income and expenditure is in line with Council's requirements. Provide strategic advice, information and support.</p>

THE YEAR UNDER REVIEW:

The department has implemented a number of systems and program in an endeavor to increase effectiveness in the administration, of which amongst others are the following:

1. ADMINISTRATION, LABOUR RELATIONS AND HUMAN RESOURCE

The committee section is now in place to ensure that the personnel responsible are able to produce quality reports for Council and Committee meetings.

The labour relations unit as reflected in the organizational structure has also been established so as to promote sound labour relations. All the disputes that were declared and concluded through the South African Local Government Bargaining Council (SALGBC) were in favor of the municipality. The case against the 79 personnel members that were dismissed had been solved in the High Court and the final payment to these employees was done in July 2010 and the matter is now at the Labour Court since the dismissed employees have appealed. The unit has also developed a program to capacitate all staff members in the municipality around the collective agreements and policies.

All training programs are in line with the Skills Development Plan as approved by the Council.

2. INTERGRATED HEALTH AND SAFETY SYSTEM

This program entails employee wellness and Occupation health and safety. It is a practical way of demonstrating that the municipality has an interest in the health and general well-being of its employees.

The municipality has appointed both an Occupational Health and Safety Officer and a Wellness Officer. Both are responsible for the safety and wellness of the employees.

The Occupational Health and Safety Committee were established in line with the Act and its meetings are held regularly. All efforts have been made, under the limited budget, to ensure that the committee attended some relevant training so as to enable them to execute their tasks in an efficient and effective manner.

3. CHALLENGES

- In implementing our human resource policy we have identified that most areas have not been covered, as a result it needs to be reviewed so that we develop a more comprehensive policy.
- The municipality inherited employees from the former Transitional Local Councils. Some of these employees were not members of either the pension or provident fund and therefore, on retirement the municipality is obliged to pay them what they would have been paid by the fund if they were members.
- Full implementation of the Employment Equity Plan
- Implementation of the Occupational Health and Safety policy vs negative cash flow
- Insufficient funds in the budget for training programs,

TECHNICAL SERVICES



KP Sebusi - Director Technical Services

	<p>The Technical Department comprises of the following divisions:</p> <ul style="list-style-type: none"> Project Management Vehicles and Equipment Maintenance Stores Housing Matters 	
FOCUS	<p>CORE BUSINESS</p> <ul style="list-style-type: none"> Management of all Capital projects Maintenance of all vehicles and Equipment Management of all Housing matters 	

THE YEAR UNDER REVIEW:

Service Delivery: Technical Department

Kopanong Local Municipality completed the following projects during the financial year. The MIG allocation was R 19 390 000 and below is the actual amounts spend on each of the projects completed in the financial year.

ACCESS ROADS



• Bethulie Access Road:	R 8 758 540
• Trompsburg Access Road:	-R 321 640
• Reddersburg Access Road	R 1 074 189
• Springfontein Access Road	R 6 723 432
• Philipollis Oxidation Ponds	R 2 185 979
• PMU Operations	R 969 500

Bulk Water Supply Project

The Municipality received R 9 015 561 from DWAF for the following projects:

Jagersfontein/Fauresmith Regional Water Supply Scheme: R 9 015 561

Phase 1 of the project is completed and the municipality is on design and tender stage of phase 2. The allocation for phase 2 is R 27 000 000.

Challenges

The biggest challenge that this department faces is a lack of funding. Very limited internal capital is available and therefore this department must rely on grant funding for capital projects. The challenge is therefore to lobby for grants as far as possible.

COMMUNITY SERVICES



MP Makau - Director Community Services

	<p>The Community Department comprises of the following divisions:</p> <ul style="list-style-type: none"> Water Sanitation Landfill Sites Parks Cemeteries Refuse Removal 	
FOCUS	<p>CORE BUSINESS</p> <p>Water – Operation of internal reticulation.</p> <p>Sanitation – Provision of sanitation</p> <p>Landfill Sites – Management of landfill sites</p> <p>Parks – Maintenance of all the parks</p> <p>Cemeteries – Management of cemeteries and maintenance.</p> <p>Refuse Removal – Operation of a refuse removal system.</p> <p>Electricity – Centlec</p>	

Annual Report for Community Services

Overview

The departmental mandate is to provide accessible and quality services to all communities of Kopanong Municipality. Currently the department has taken strategic decision concerning the optimal service delivery for the provision of services in its area of jurisdiction.

Administration of units

Kopanong Municipality consists of nine units which are administered by Unit Managers who report to Community Services Managers who in turn reports to the Director Community Services .The communication to the units has improved drastically and regarding service delivery our units are faced with shortage of equipment for maintenance and machinery. Lack of proper maintenance as well as ageing infrastructure and vehicles are playing a key role in hampering effective service delivery.

ROADS AND STORM WATER

The roads in Kopanong are in a bad condition due to the fact that most of them have exceeded their lifespan and others due to poor maintenance and disaster that took place late last year. .All the internal streets within the towns need to be bladed, compacted and this process is in our plan for this year. The other challenge is the tarred roads which are full of potholes making them not accessible also in this regard we have conducted an audit which has been followed by quotations from service providers for the supply of Premix tar for the filling of the potholes.

Things to be done

- To provide training of staff for resealing of the roads.
- To provide training for the maintenance of the roads infrastructure.
- The development of the infrastructure maintenance plan for the Municipality

Cemeteries

The overall objective of this function is to improve cemeteries/ provide and control burials within the framework of the Health ACT development community records and administration.

Strategic objectives

- The development of new sites cemeteries within Kopanong Municipality
- Control and maintenance of cemeteries

The municipality is actively involved in the maintenance and provision of cemetery, as a Directorate we have fence Edenburg, Jagersfontein, and Bethulie through the assistance of Xhariep District and Operation Hlasela. We have no sufficient staff to clean the cemeteries. The EPWP projects will be used to clean municipal cemeteries in all nine units this year. Each unit we have 3 (three) cemeteries in total 27.

The burial registers are kept in all nine (9) units.

Parks and Public open spaces

The overall of this function is to provide and maintain parks and open spaces in order to create a pleasant environment for the community.

Strategic objective

- The pruning of trees along municipal streets within Kopanong Municipal jurisdiction and
- Regular cutting of grass on sidewalks

Commonages

The overall of this function is to manage commonage within Kopanong Municipality.

Strategic objective

- To maintain and repair fencing
- To try and obtain farms for Kopanong small emerging farmers
- To enter into agreements with people leasing commonages in order to ensure formal contracts are obtained
-

Noted; that although the function is housed in Community Services the bylaws are in consultation process and the commonage policy was developed and approved by Council.

Issuing of business license

The overall objective of this function is to improve economic development in the community for both formal and informal businesses and to regulate the trading activities of the license holders.

Strategic objective

- The inspection of business premises to ensure food preparation is conducted within health standards this inspection is conducted by Xhariep District Municipality.

Currently the greatest challenge within our municipality relates to the challenge of foreign Nationals flouting our business law which in turn makes it difficult to relate this trading.

Waste management (Refuse Removal)

Overall objective to improve management of environment and combat illegal dumping and to ensure that all refuse and waste is removed and disposed timeously in an appropriate manner

Strategic objective

- Regular refuse removal to all household once a week
- Regular refuse removal at commercial businesses twice a week
- Daily street cleaning
- Maintenance of the solid waste disposal sites
- Plan to register and rehabilitate the three landfill sites

Waste management consists in its primary form of collection, transportation and disposal. Where waste management is needed the collection and transportation aspects thereof are done to a reasonable standard although certain problems do occur with the disposal function like breakdown of tractors

No solid waste sites comply with the necessary required legislation; measures are however being put in place to ensure compliance with legislation is adhered to.

Issues/challenges

Cost effectiveness of current service is poor mainly due to a history of lack of investment in the service in terms of equipment, staff and planning. There is little compliance with legislation.

The landfill sites need to be registered and rehabilitated, to ensure proper management of these facilities.

Things to do by 2012/13

- Development of the Intergraded Waste Management Plan
- The registration and rehabilitation of three Landfill sites Reddersburg , Fauresmith and Edenburg
- The By-Laws are in a process of consultation
- Conduct road shows about littering and illegal dumping of waste

Water Services

There are monthly water samples that are taken from all the units by our Service provider (Bloem-Water) and sent to Laboratory for testing for bacteria as well as **determine the quality of drinking water. Within this year no major problems regarding quality water occurred except the dwindling levels of water in the mine shaft resulting in the scarcity of water. The current Bulk Water Supply project is**

intended to address these problems and the first and second phases are due for completion by 2013

The ageing water infrastructure is causing problem of pipe bursting especially in winter and this problem is found in almost all our units.

Things to do next financial year

- Training of employees in maintenance of water network.
- Employ qualified plumbers
- Purchasing of water meters for newly developed sites.

Library Services

Objective ; provision reading and study material and to promote reading amongst the schools, youth and adults

Services ;

- Selection of books from the book fare
- Promotion and participation in the library activities
- Promotion of library and national events
- Establishment of book clubs / groups

Sports and Recreational

The overall objective of this function is to provide new facilities and to maintain the existing facilities.

Strategic objective

- Maintenance of existing facilities
- Renovation of halls
- Control of municipal facilities

The Caleb Motshabi Stadium in Trompsburg is currently under the control of Kopanong Municipality with the major challenge being the maintenance of this facility especially the greening of the pitch. Realising that our finances are not sufficient enough we have prioritized most of the sports facilities under MIG Grant.

Conclusion

The Department; Community Services is faced with a huge challenge of rendering quality services to the communities and the financial constraints, sufficient equipment as well as capacity in terms of proper maintenance by municipality employees in critical sections like water, sanitation and roads.

FINANCE SERVICES



MJ Mekhoe – Director Finance

	<p>The Financial Department comprises out of the following divisions:</p> <ul style="list-style-type: none"> Income Expenditure Budget Office Credit Control IT Asset Management Risk Management 	
FOCUS	<p>To ensure efficient and effective financial management.</p> <ul style="list-style-type: none"> Management of assets & liabilities. Management of revenue & expenditure Management of the budget Performance of the Treasury Function Maintenance of internal financial control Management of Financial Administration Risk Management Financial advise to Council, Accounting Officer & Management Consumer Relations Manage & Lead the Financial Directorate IT Management & Development Supply Chain Management 	

THE YEAR UNDER REVIEW:

Capacitating of Financial Personnel

All the finance personnel attended courses on the financial system and were therefore capacitated in operating the financial system. They also attend new courses as and when available.

Finance personnel are also attending external courses where applicable. All senior and middle managers in the Finance Section have already completed or are nearly finished obtaining the required qualifications of the new competency levels.

Financial Management and Budget Reform Program

The main aim of the program is to help the Municipality to reform its financial management in such a way that the Municipality should be able to implement the Municipal Financial Management Act within the required deadlines.

Five Interns were appointed to undergo an internship within the municipality.

Free Basic Services

The Council has developed and implemented an Indigent Policy to ensure that all indigent consumers receive free basic services. The number of registered indigent consumers who is currently receiving free services is 2 179. The free services are as follows:

Electricity:	50 units per month
Water:	6 kiloliters per month (All households)
Sewer:	Free
Refuse Removal:	Free

IMPLEMENTATION OF GRAP

The Municipality appointed consultants to implement the conversion from IMFO to GRAP to solve all the problems of the previous consultants.

Challenges

The biggest challenges for the department are as follows:

The roll out of free basic electricity is still not 100% and the department and the Municipal Manager are in constant contact with the two suppliers of electricity in the area.

The average payment rate is currently only 49.47% and the municipality appointed a legal firm to collect all arrear debt. Another problem is that the municipality cannot block electricity purchases of defaulters of other services anymore as a significant portion of the community makes use of prepaid electricity. The area is also very poor and has a very limited tax base.

ANNUAL PERFORMANCE REPORT

2011/2012



FOREWORD BY THE MAYOR

Kopanong Municipal Council would like to go through the past financial year 2011/2012 with you. This will be done by reviewing the Municipality's report on our performance during the period mentioned above. This report was done in accordance with the requirements of the Municipal Finance Management Act (MFMA), system Act and is consistent with our obligation and responsibility to contribute to a better life for the communities we as the Council serve.

The IDP is one of the factors or features that we focused on when accounting on the year's activities under review.

This Annual Report is a culmination of the implementation of the Council's adopted Integrated Development Plan and Budget and Services Delivery and Budget implementation Plan for the 2011/2012 financial year.

This Report presents the institution's achievements and challenges in working.

Despite the notable progress made during the 2011/2012 financial year, the Municipality is acutely aware of many challenges that a waiting, as listed Below.

- Developing ward-based profiles that include social infrastructure
- Backlogs, to improve the quality of information available.
- Finalising the By- Law's.
- Focusing on combating and preventing, HIV and AIDS.
- Communicating more, and more effectively, with the residents of Kopanong Local Municipality.
- Improving our audit opinion from Disclaimer to Unqualified the opinion

In closing, I would like to thank all who were part of Mayoral Hlasela Imbizo's(Public Participation Programme). The Imbizo's gives us an opportunity to meet our people, and serves as a networking platform for our stakeholders, such as the business people within our Municipality and the community at large.

Once you have read through this document, it would be of great assistance to us to hear your comments and feedback as this would help us in improving our aim of creating a better life for all.

I would like to express my sincere gratitude to all Councillors, officials, the communities of Kopanong Local Municipality and stakeholders for their contribution to the progress made for the year under review.


Signature

Cllr X.T Matwa (Mr.)

Mayor of Kopanong Local Municipality

Purpose

The purpose of this report is to provide Annual Performance prepared in terms of the Local Government Municipal Systems Act (Act 32 of 2000) Section 46, Section 121(1) of the Local Government Municipal Finance Management Act 56 of 2003 (MFMA)

CHAPTER 1: INTRODUCTION AND OVERVIEW OF THE MUNICIPALITY

Introduction

This is a framework that describes and represents how Kopanong Local Municipality cycle and processes of planning, monitoring, measuring, reviewing, reporting and improving its performance will be conducted, organized and managed and what roles different role-players will fulfill in the process.

It produces evidence of the extent to which the municipality implemented its integrated development plan (IDP) and serves as basis for identifying the reasons for underperformance in order to take corrective action in a timely fashion.

The purpose of the PMS is to set key performance indicators (KPIs) and targets for measuring Kopanong Local Municipality's performance against the development priorities and objectives set out in its IDP during a specific financial year.

The Municipal Systems Act further requires that Kopanong Local Municipality must, at least once during a year, measure and review its performance against the KPIs and performance targets contained in its PMS and prepare an annual performance report. These measurements will indicate in what areas Kopanong Local Municipality performed satisfactorily and where improvements are required. The annual performance report must reflect at least the following –

- ❖ The municipality's performance and that of each external service provider that provides municipal services on its behalf during that financial year;
- ❖ a comparison of the performance of a specific year with the performance in the previous financial year;
- ❖ Measures taken to improve performance.

The Local Government: Municipal Finance Management Act 2003 (Act No 56 of 2003) requires that Kopanong Local Municipality must for each financial year prepare an annual report. The annual performance report must form part of the annual report. The Mayor must table the annual report regarding a specific financial year in the Council on or before 31 January of the next financial year. The Council must deal with the annual report on or before 31 Mar

OVERVIEW

The Kopanong Local Municipality area is situated in the Southern Free State. It has the largest surface area of the three local municipalities in the Xhariep District, covering 15 190 square kilometers (44, 5%). Nine towns from part of Kopanong namely:

- Trompsburg, it is situated approximately 108km south of Bloemfontein, it is a small agricultural town and one of the Free State's best Marino sheep product manufacturers.
- Gariep Dam, it is situated approximately 62 km south of Trompsburg and it is the largest expanse of fresh water in the country.
- Springfontein, it is situated 150 km Southwest of Bloemfontein on the N1, this town history relates directly to the struggle and especially to the hardship.
- Bethulie, it is situated approximately 52 km South of Trompsburg; it serves as the Regional agricultural service centre within Kopanong.
- Jagersfontein, it is the world oldest diamond mining town and the 1st place where the diamond was discovered.
- Phillipolis, It is situated approximately 53km ,southwest of Trompsburg
- Fauresmith, It is situated approximately 77km northwest of Trompsburg, it serves as a general agriculture service centre within Kopanong
- Reddersburg, it is situated approximately 65km northeast of Trompsburg. The main social and economic functions of the town is to serve as a general agricultural service centre to surrounding farming areas and social functions such as residence ,education and medical service.
- Edenburg, situated 83km south west of Bloemfontein was founded in 1862 when the farm Rietfontein was purchased to build a church.

CHAPTER 2: PERFORMANCE HIGHLIGHTS

The Municipal Planning and Performance Management Regulations (2001) in terms of the MSA set the requirements for performance management out in detail. The Regulations also contain general KPIs which all municipalities must apply. The Municipality's performance against these general

KPI's is discussed in this chapter. The performance of the municipality against the set key performance indicators for 2011/2012 financial year is discussed below.

KPA 1: MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT

The highest management levels in the Municipality consist of 5 positions. The Municipal Manager and all Section 56 Managers entered into performance agreements with the Municipality for the 2011/2012 financial year and copies of these documents were submitted to Corporate Governance and Traditional Affairs (COGTA).

INTRODUCTION

In terms of complying with Employment Equity Act (Act No.55 of 1998), the municipality has made significant strides in ensuring representation at the different levels within the organization.

The Employment Equity Act No. 55 of 1998 requires Kopanong Local Municipality to prepare an Employment Equity Plan. The Employment Equity Plan has been prepared in terms of the requirements set out in section 20 (1) of the Act, and it has been submitted to Department of Labour.

The Employment Equity Plan is a plan of action that will be implemented by the Municipality to ensure all its employees have fair and equal access to employment opportunities. The Employment Equity Plan covers a 5 year period. The Municipality will report on progress each year as prescribed by the Act and will review and update the Plan as required

CURRENT WORKFORCE PROFILE

Black men senior and middle management	69%
Women represented as senior and middle management	31%
People with disabilities	1%(man)

Background

The Skills Development Act (Act No. 97 of 1998) provides an institutional framework to devise and implement national, sector and workplace strategies to develop and improve the skills of the South African workforce; to integrate those strategies within the National Qualifications Framework contemplated in the South African Qualifications Authority Act, 1995; to provide for learnerships that lead to recognized occupational qualifications; to provide for the financing of skills development

by means of a levy-grant scheme and a National Skills Fund; to provide for and regulate employment services; and to provide for matters connected therewith.

The municipality is using a WSP tool to provide Councillors and employees to training and capacity building to fully understand oversight roles and responsibilities, Councillors induction programme is designed in such a manner that will provide them with necessary skills, trainings conducted for 2011/2012 are according to WSP.

KPA 2: BASIC SERVICE DELIVERY

ACCESS TO FREE BASIC SERVICES

The municipality has an approved indigent policy that regulates who qualifies for free basic services. The policy also regulates the level of free basic services to be given to consumers who qualifies.

The following consumers could qualify for free basic services during the 2011/12 financial year:

Households (occupants of a site) classified as indigent, i.e. where verified total gross monthly income of all occupants over 18 years of age does not exceed R1100, 00 per month or where the only income of a household is that of two old age pensioners “Social grant”. The subsidy paid will only be applicable in respect of sewerage, water, electricity, refuse charges and assessment rates with the proviso that the subsidy cannot be guaranteed up front as it will be funded with a grant from the National Government to the Municipality. Therefore, should no grant or a reduced grant be received from the National Government, and then no or fewer consumers will receive a subsidy in part or in whole in respect of certain services.

The following free basic services were given to qualifying consumers during the 2011/12 financial year:

Water:	All residential consumers – 6 kilolitres free per month
Refuse:	Free service to all registered indigents
Sewer:	Free service to all registered indigents
Electricity:	50 kWh units per month free to all registered indigents

The municipality is also busy on a continuous basis to update the Indigent Register to ensure that all consumers who can qualify do register as indigents

BUCKET SYSTEM ERADICATION

BUCKETS ERADICATED

Towns	Statistics
Bethulie / Lephoi	301
Philipollis / Poding Tse Rolo	146
Reddersburg / Matoporong	53

EXISTING BUCKETS FORMAL SETTLEMENTS

TOWNS	STATISTICS
Bethulie	11
Trompsburg	16
Fauresmith	77

INFORMAL SETTLEMENT

TOWNS	STATISTICS
Trompsburg	13
Springfontein	15
Redderburg	320
Fauresmith	25

INDIGENT POLICY IMPLEMENTATION

Because of the level of unemployment and subsequent poverty in the municipal area, there are households which are unable to pay normal municipal services, the municipality therefore adopts this indigent policy to ensure that these households have access to at least basic services and it is guided in the formulation of this policy.

Household are classified as indigent where verified total gross monthly income of all occupants over 18 years of age does not exceed R1100.00 per month, for a household to qualify for subsidies or rebate on the major services charges the registered indigent must be the full time occupant of the property concerned.

- In respect of water a 100% subsidy up to 6 kl per household per month will apply
- In respect of electricity a 100% subsidy up to 50kwh per household per month will apply.

- In respect of the sewerage and refuse removal charges the relief granted shall not be less than a rebate of 100% on the monthly amount

This report serves to inform AG of how the 2011/2012 MIG allocation was utilized and spent to address infrastructure needs for Kopanong Local Municipality.

OBJECTIVE

The objective of the evaluation is to ensure whether our priorities/needs were addressed in the implementation of the projects.

Conditions of our access roads, storm water and oxidation Ponds were not in a favorable condition so they needed to be upgraded.

AFFECTED AREAS

The areas that we focused on were ,Bethulie/Lephoi, Reddersburg/Matoporong ,Trompsburg/Madikgetla, Springfontein/Maphodi ,Phillipolis and Jagersfontein

The following projects were implemented in order to address the situations:

PROJECT NAME	MIG NUMBER	EXPENDITURE 2011/2012	START DATE	END DATE
Bethulie/Lephoi paved access road 3.5km	MIG/FS/0242/R/ST/06/06	R 8 758 540.43	06/01/2012	31 / 10 / 2012
Reddersburg/Matoporong paved access road 3.1km	MIG/FS/0394/R/ST/07/08	R 1 074 189.02	23/11/2011	31 / 07 / 2012
Trompsburg/Madikgetla paved access road 1.3km	MIG/FS/0303/R/ST/06/07	R – 321 640.41	01/03/2009	30 / 03 / 2012
Springfontein/Maphodi Paved Access Road	MIG/FS/0241 /R / ST / 06 / 06	R 6 723 431.70	23/05/2011	30 / 03 / 2012
Phillipolis: Upgrading of Oxidation Ponds	MIG/FS/0415/R/ST/07/09	R 2 185 979.26	28/07/2012	28 / 09 / 2012
PMU:2011/2012		R 969 500.00	2008	On going

DEPARTMENT OF WATER AFFAIRS ALLOCATION AND EXPENDITURE:

PROJECT NAME	EXPENDITURE	START DATE	END DATE/ANTICIPATED
Jagersfontein / Fauresmith bulk water supply project	R 9 015 561	2004	31 / 10 / 2012

DEPARTMENT OF ENERGY ALLOCATION AND EXPENDITURE;

PROJECT NAME	EXPENDITURE	START DATE	END DATE
Electrification of 32	R 256 000.00	11 / 02 / 2011	13 / 12 / 2011

stand in Edenburg/ Hsrasebei			
Electrification of 68 stands in Fauresmith/ Frayville	R 544 000.00	11 / 02 / 2011	13 / 12 / 2011

PROGRESS TO DATE

Due to the good cash flow management Kopanong Local Municipality managed to exhaust all its MIG allocation on time for 2011 / 2012 financial year.

All projects were implemented according to the approved business plan

They were all done according to the scope of work

Certificates were paid according to the physical progress.

Activities were coordinated with other stakeholders through project steering committee

No risks were taken.

BLUE DROP AND GREEN DROP:

Kopanong Local Municipality managed to increase from 43.8% to 68.70% with regard to Blue drop compliance, and we achieved number 85 [EIGHTY FIVE] in the Country and number 08 [EIGHT] in the Province of Free State.

Challenges experienced in basic service delivery

Improvement on the quality of drinking water.e.g. Jagersfontein and Fauresmith.

Insufficient underground water at Bethany

Refuse removal equipment worn out thus affecting efficient service delivery.

Streets badly eroded needing regrading and blading which cannot be done due to shortage of equipment.

KPA3: LOCAL ECONOMIC DEVELOPMENT

Introduction

The National framework for LED was introduced by the Department of Provincial and Local Government in 2006, with the aim to promote development of sustainable local economies through integrated government action, Kopanong adopted its current LED strategy in September 2007. Currently there is a draft LED strategy that has not being approved by the council, and need to be re-developed as the draft was developed by the service provider and information contained in it might not still be relevant. Request will be forwarded to COGTA (LED/IDP DIRECTORATE) to assist to develop the new one. Province to finalize the FS Growth Development Strategy.

The capacity for implementing LED in the municipality:

The unit currently operates with two officials viz LED Officer and LED /IDP Data Capture, the implementation capacity lacks as the municipality comprise of nine towns and the project are in all wards, therefore it becomes difficult to mentor and give hands on support to the projects. The unit need to be reviewed and fully staffed with departmental budget for LED to assist and support also SMME'S and Co-operatives. Municipality has to seek assistance with development of a plan & exit commonage plan.

Interventions by the National and Provincial Government

- There is support from the Provincial Government as a result of outcome 9 that is now aligned to the MTAS,
- Municipality request interventions and support as need arises but we all meet at the IGR meeting for hands on support.
- SALGA is supporting the municipality by inviting us to the LED task team meeting.
- SALGA also assisted the municipality with the P3 PROJECT (Partnership, Participation and progress to stimulate local economy.

KPA4: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT

Introduction

The purpose of the report is to report to AG on the background of Kopanong Local Municipality progress on financial viability and financial management and the challenges that municipality is facing.

Background

The municipality was still financially viable with sound financial management in all these years until previous management malpractices of not honouring their obligations of paying over the third parties which subsequently led the bank account being attached in 2009/10. As the municipality is in a rural area and does not have any large businesses or industries it is not possible to recover from the financial impact that the above had within one year and the municipality was still recovering from this during the 2011/12 financial year

Overview

The bank statement reflects the actual bank balance of the Municipality at a specific date. The cash book balance is the difference between the total accumulated cash receipts up to a given date and the total accumulated cash payments up to the same date. The cash book balance is, therefore, the balance of what the bank balance should be had all payments the Municipality received to the date of the bank statement and all expenses incurred to that date been processed by the Municipality's bank. It is therefore of the utmost importance to reconcile these two balances with each other on a regular basis which could be weekly. Failure to reconcile may lead to misleading reporting to management and the Council.

Progress

Financial viability: Municipality cash-flow is improving because credit control is tirelessly trying recovering the current arrear amount from the residents. The municipality also appointed an external legal company to collect all arrears that are 60 days and older. Municipality is busy developing financial recovery plan which will assist municipality with improving the financial viability and management.

Capital expenditure: All the projects for the year was completed and the municipality succeeded to spend the total budget.

Compliance with the MFMA: The MFMA compliance is average due to some challenges that Municipality is faced with such as payment within 30 days to creditors but reports and returns that need to be submitted to treasury municipality is complying.

Municipal budgets, expenditure and revenue sources: The municipal budget is prepared according to the standards and the norms of treasury and municipal expenditure averagely is within the norm of the budget and revenue source is a challenge due to economical environment which municipality is operating under.

- *AG Report and Plan of action:* The AG report was a disclaimer and a plan of action was developed. The municipality managed to clear most of the disclaimer items and rates reconciliation had been done for the first time during 2011/12 and the infrastructural assets had been unbundled. A new GRAP compliant asset register is also in place.

Challenges and experiences in municipal financial viability

Low-income and high rate of indigents have a negative impact on cash-flow. Kopanong local Municipality does not have any large industries or large business within its jurisdiction which is also contributing factor to the negative cash-flow.

KPA5: GOOD GOVERNANCE AND GOVERNMENT INTERVENTION

OVERVIEW

Ward committees

Ward committees were established and refurbished throughout Kopanong Local Municipality, the ward committees were established in August 2011. There was also an audit programme to check the functionality of the ward committees from the Speakers Office during the month of July.

The outcome is that out of all the towns, Jagersfontein and Edenburg were not functional, because some members were then employed in the municipality and therefore they have to be reestablished.

INTEGRATED DEVELOPMENT PLANNING

INTRODUCTION

IDP

The integrated development planning process in an interactive and participatory process, which is informed by the involvement of a number of stakeholders.

Integrated development planning is a planning method to assist the municipality to develop a coherent long term plan for the co-ordination of all the development and delivery in the area.

One of the main features of the IDP process is the involvement of the community and stakeholders organization

Participating of residents ensure that the IDP process addresses the real issue that are experienced by the communities of the municipality.

Credible IDP – include review of the following sector plans: Spatial Development Framework, faced by the municipality ,

Review of all sector plan.

For the financial year 2011/2012 the municipality received medium rating.

Interventions to address challenges during implementation

Consultation of all stakeholders and sector departments.

Accordingly, section 34 of the Municipal Systems Act of 2000 provides for the annual review of the IDP. It says that the municipality must review its IDP:

- Annually in accordance with assessment of its performance measurements. (Agreed performance indicators and targets)
- To the extent that changing circumstances to demand.

IDP CAPACITY RANKINGS OF MUNICIPALITY

For the 2011/12 year, the rankings of our local municipality was medium

Table: IDP Capacity Ranking

Municipality	IDP Analysis Rating
Kopanong Local Municipality	Medium



Audited Financial Statements 2011/12

CHAPTER 7

KOPANONG LOCAL MUNICIPALITY: Annual Financial Statements

Report on the outstanding debtors as on 30 June 2012 by the Accounting Officer

The total outstanding debt as on the 30th of June 2012 amounts to R 107 241 040.

Note	Gross	Provision	Net
3	61 823 037	62 007 701	(184 664)
4	8 958 002	2 543 755	6 414 247
5	36 460 001	14 148 977	22 311 024
Total	107 241 040	78 700 433	28 540 607

A detail age analysis was not available on all debtors and therefore a breakdown of the aging of debtors can't be provided.

Although the municipality knows that a large part of the debt outstanding more than 90 days will not be collected, it is the policy of the municipality not to write of any outstanding debt unless all means of collection has failed.

The municipality also stopped to block the purchase of electricity in cases where consumers are in arrears for other services as it is against the Electrification Regulations issued by the NER. This resulted that the municipality had to resort to legal action where the normal credit control did not have any effect. This is done by an external legal company.

On 30th June 2012 the accumulated Bad Debt Reserve of the municipality amounted to R 78 700 433 and the % of outstanding debt covered by the Bad Debt provision is 73.39%.

It is therefore the municipality's opinion that without detailed information on the debtor's book that at least 73.39% of the outstanding debt are not collectable and will be written off as and when information is obtained from the in-house legal process. The above percentage will be increased or decreased as the information on the debtor's book become clearer through continuous debt collection and credit control.